# Daily Report

# Latin America

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*FBIS-LAT-93-050* *17 March 1993*

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## Cuba

### Alarcon on Election to ANPP Presidency

*FL1603235993 Havana Tele Rebelde and Cuba Vision Net vorks in Spanish 0235 GMT 16 Mar 93*

[Text] By the sovereign will of the National Assembly of the People's Government [ANPP] and representing the Cuban people, Dr. Ricardo Alarcon de Quesada, who obtained all the votes of the 578 deputies present, was elected president of the ANPP in its fourth legislature. Jaime Crombet Baquero was elected as vice presiden, and Ernesto Suarez Mendez was elected as secretary. In this manner, the three candidates nominated by the National Candidacy Commission were accepted.

[Begin recording] [Alarcon] This is really a great honor and at the same time it is also a very big responsibility. But I can say, like all revolutionaries, that we must accept it and try our best to be worthy of the confidence which our comrade deputies have in us.

[Unidentified reporter] Were you surprised to receive 100 percent of the votes or were you expecting it?

[Alarcon] Well, the whole thing has been a surprise from the beginning. Today was my first day as a deputy. I have never been a deputy before, and within an hour of becoming a deputy my comrades gave me the tremendous honor of unanimously electing me. I think it is important that also in this election, not just in my case, but with the election of Comrade Crombet and the comrade secretary, who was reelected, that once again the high degree of unity of our people was reflected today in the ANPP. Because I think that everyone can see today not as the end of a period but as a very important moment in the continuation of a process which we should continue to develop, expand, and deepen—which is the effective participation of the masses on all levels, at all levels, from the people's councils to the ANPP, in addition to our people's consistent and constantly renewed expression of unity.

[Carlos Amat] On behalf of the National Electoral Commission, I declare in position of their posts of president, vice president, and secretary of the ANPP, which by the sovereign will of this assembly and representing the Cuban people, has been decided. The reasons for this decision are in the very roots of our history, in the struggle of our people for their independence, in their acts of courage and valor, in the blood of their martyrs, and in the decision of their heroes, in the abilities of our people to resist, who day by day confront without hesitation the challenges that represent the defense of their liberty and sovereignty in a world more and more complex and full of risks. [applause]

[Unidentified reporter] Alarcon recalled Marti at this time.

[Alarcon] He referred to these responsibilities as life's most important duty which the deputies will carry out—their noble duty—and they will serve their land with as much humility and fervor as the human soul is capable of in these great times. It is with this attitude and spirit that Jaime Crombet, Ernesto Suarez Mendez, and Ricardo Alarcon accept with honor, deep feelings of humility, and revolutionary fervor your decision. [applause]

I think it is also my duty to express at this time, on behalf of all of you, our deep recognition to Comrade Juan Escalona, who dedicated all his energy, talents, and strength to leading this ANPP during an important period of the legislative life of the country and in particular this final period of the electoral process. I also want to extend to Comrade Zoila Benitez our deep recognition and gratitude for all her contributions to the work of our parliament. [applause] [end recording]

### On Foreign Minister Post Successor

*FL1703033593 Havana Cuba Vision Network in Spanish 0230 GMT 17 Mar 93*

[Interview with Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, by Antonio Resillez on the "Open Agenda" program in Havana—live]

[Excerpt] [Passage omitted] [Resillez] I am practically convinced that you will not maintain the duality of president of the National Assembly and foreign minister. Is it already known who will replace you at the Foreign Ministry?

[Alarcon] Well, from the moment I was elected by the National Assembly, automatically, First Vice Minister Fernando Remirez de Estenoz, my usual deputy, takes the helm of the ministry in the same manner that is done every time when I am away. [Words indistinct] since yesterday, also in a little over 24 hours, he has assumed with an automatic interim character the post of foreign minister. [passage omitted]

### Juan Escalona Praises New ANPP Leadership

*FL1703001693 Havana Tele Rebelde and Cuba vision Networks in Spanish 0235 GMT 16 Mar 93*

[Interview with Juan Escalona, former president of the National Assembly of the People's Government, by Maribel Puerto in Havana on 15 March—recorded]

[Puerto] Escalona, you have been at the helm of the National Assembly of the People's Government [ANPP] for three years. What prospects do you presently see for the ANPP?

[Escalona] I believe it is at its best moment. The result of the process which we conducted this morning shows that the National Candidacy Commission was truly on target in its selection of candidates for the posts of president and vice president of the ANPP. I can add, personally, that I am very happy because for me, who already has many more years than those who follow me, this is the logical change [relevo]. In a process where the ANPP has experienced over 80 percent renovation, it was logical to also renovate its leadership. Also, what is outstanding is

that the new leadership [relevo] is formed by two young comrades such as Alarcon and Jaime [Crombet] because they highly complement each other.

Ricardo [Alarcon] has a lot of experience in international affairs and Crombet is very experienced on Cuban issues. He has worked at posts such as the one he held up to now, that of vice president of the Council of Ministers. In this post, he traveled throughout the country. He is up-to-date [passage indistinct].

I believe all of us should feel truly happy. I believe the performance of the old Assembly—the one which was adjourned today—was meritorious. We lived through the phase of legislative, judicial, and constitutional changes. I believe the deputies fulfilled their mission.

The prospects today are higher. The quality of the deputies and the process of selection conducted should place the ANPP in a position to do everything that still remains to be done.

## Castro Reaffirms Deputies Historic Commitment

*FL1603214993 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Mar 93*

[Excerpts] The constitution of the National Assembly of the People's Government on 15 March, corresponding to the fourth legislature and held at the Convention Center here in the capital became a great worthy and significant homage to the 115th anniversary of the Baragua protest. [passage omitted]

At the closing ceremony, the newly elected Council of State was introduced, and after its membership was announced, the commander in chief, who was reelected president of the Council of State, made the closing speech at this significant meeting. In it he reaffirmed the deputies' historic commitment to serve as soldiers in the front lines during this current stage which is both difficult and glorious for the fatherland, the Revolution, and socialism.

During one of the most significant moments of the closing speech made by the first secretary of the Central Committee of our Communist Party of Cuba and president of the Councils of State and of Ministers, Fidel stressed:

[Begin Castro recording] I think it is very important for all deputies to be aware of these problems and these needs, and for them to be very much aware of the fact that we are traversing a very difficult stage of the special period, for them to recommend to everyone not to allow themselves to become discouraged. I would say our people have lived through circumstances more difficult than these, back when the Cuban people were not independent, back when they had no Revolution.

However difficult the current situation may be, it can never be as difficult as those our country lived through under the Weyler Concentration Plan. Imperialism would like to repeat that, in our country, to try to defeat our people through hunger and illness. However, no people can be defeated if they are determined to resist, determined to fight. We are counting on you to be frontline soldiers, and also frontline leaders, along with the soldiers. Just as we saw certain deputies doing out there in Santa Fe yesterday, out there in the mud and the slush working alongside the neighbors and the machines picking up the rubble. The district delegate was out there, as was the president of the council, as were the party cadres, as were the deputies from that district. They were out there seeking solutions and taking care of the population, taking care of the people in the shelters, working with a devotion truly worthy of admiration. That is what is needed everywhere. Just like in war—for what is this if not a kind of war, in which we have to deal with the political disasters others have suffered, in which we have to deal with imperialism and its actions, in which we have to deal with natural disasters?

The Venezuelans have already had one such experience, the year following the proclamation of independence: the earthquake that destroyed Caracas. And Bolivar said: If nature is against us, we will fight nature. [end recording]

## Castro Comments on Damage Caused by Storm

*FL1603154393 Havana Radio Progreso Network in Spanish 1200 GMT 16 Mar 93*

[Text] We are offering you excerpts from the speech Fidel made last night before the National Assembly of the People's Government [ANPP], here on the "A Primera Hora" program, with comments by our colleague Jesus Diaz Loyola.

[Diaz] The commander in chief devoted a great part of his speech at the ANPP, which was formally constituted yesterday in this capital, to analyzing the consequences of the freak weather that hit a large part of the country last Saturday, which the commander in chief defined as a veritable hurricane.

[Begin Castro recording] As fate would have it, on top of all the problems we already had and just 48 hours before the forming of this assembly, we were to suffer a real natural disaster—and a serious one. I mean, that is what has happened. We have suffered a hurricane, blowing in the opposite direction from the route hurricanes traditionally take. It has indeed caused damage, and the more data we get, the greater we see that the damage is.

We have suffered great damage in agriculture. The storm practically razed the plantain plantations. It blew down all those trees bearing bunches that were already big, or small bunches still growing. It also blew down the new plants coming up around those trees.

The storm also affected other crops: tomatoes, for example, which had already been affected. We had not had weather favorable to tomatoes. Strong winds blew from the south for many days in January. Such winds often precede blights, because of the humidity, because of the heat, and because of the physical damage such winds do to the plants.

Then came heavy downpours. These downpours affected not only our vegetable crops but also our tobacco crops. There was one area in Pinar del Rio that got almost 500 mm in a 24-hour period. Just imagine: 500 mm in 24 hours, and in winter, to boot.

Of course, this also destroys the seedbeds. We are thus left without the possibility of being able to replant, at a particular date, what the water may have destroyed—because there are no seedbeds. It takes several weeks to reconstitute seedbeds.

We had been making a great effort in tobacco this year, although we have had weather extremely unfavorable for growing tobacco, which canceled out a significant part of the efforts we made in tobacco-growing. Tobacco is not a food crop, but it is one of Cuba's important export crops.

This hurricane, at the front end of a cold front, has affected tens of thousands of housing units, especially roofs, and has even destroyed a number of them completely. It has also affected thousands of our targeted economic endeavours: ships, workshops, warehouses. It has affected targeted economic endeavours in agriculture and even in the cities: industrial installations and factories. Especially roofs.

It has seriously affected many crops. Many electric poles were ripped out of the ground. Power lines were torn down and power was interrupted. Gas supplies were affected because of the lack of electricity. The water supply was also affected because of the lack of electricity. All those services have been affected, and this in eight provinces.

So, we already had the prior problems: We were behind in the sugar harvest, because of occasional difficulties with the fuel supply. For the first time, we found ourselves lacking fuel for the combines and tractors for the sugar harvest, despite the fact that the harvest had been made a priority. Now, having just emerged from the electoral battle, we must dive into this battle to recuperate from the damages and to solve the problems that have been piling up.

This is a special effort, and a serious one; and one fights not only by casting a united vote, not only by supporting the fatherland, the Revolution, and socialism wholeheartedly, or with awareness. Right now, we need to save the fatherland, the Revolution, and socialism by wielding the machete for cutting cane, by means of the lathes that turn out spare parts, by means of the hoes used to weed the plantains and other crops when we have no herbicides, by planting on time, by harvesting on time, and by working 24 hours a day in those industries that can help us recover this situation that has arisen.

And now we have the problem, more serious from a social point of view, of the roofs this hurricane blew away. [end recording]

## Havana Reports on Vietnamese Vice President Interview

*FL1603212993 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Mar 93*

[Text] Vietnamese Vice President Nguyen Thi Binh granted the press agency PRENSA LATINA an interview in Hanoi during which she highlighted her country's solidarity with Cuba. Nguyen Thi Binh fustigated U.S. policy on Vietnam and Cuba.

The vice president of that fraternal country of Indochina stressed: We are suffering an economic embargo, which in today's world can be considered a barbaric crime against any nation. She highlighted the moral value of the campaign of solidarity aimed at collecting 10,000 tons of rice for Cuba, as an example of the feelings of brotherhood that unite the peoples of Cuba and Vietnam.

In another part of the interview, Nguyen Thi Binh rejected the idea that socialism is dead, and offered as examples the Cuban and Vietnamese Revolutions, defenders of the banner of the independence and sovereignty of peoples which determinedly move forward in an identical line in favor of the well-being of peoples.

Regarding William Clinton's rise to power, Nguyen Thi Binh stressed that U.S. policy is governed by the interests of circles of power, without taking into account the affiliation of Democrat or Republican—although she did admit that there are subtle distinctions among administrations.

## Vietnamese Delegation Discusses Increased Cooperation

*FL1703031993 Havana Radio Reloj Network in Spanish 0239 GMT 17 Mar 93*

[Text] Today, Cuban and Vietnamese delegations began a week of official talks with the goal of examining and establishing increased bilateral economic and trade cooperation. The topics covered on the agenda of the 13th session of the Intergovernmental Economic and Scientific-Technical Cooperation Commission are being presided over by Nguyen Cong Tan, Vietnamese agriculture and food industry minister, and Arturo Guzman, Cuban minister president of the State Committee for Prices.

In the course of the first session, Guzman stressed the solidarity recently expressed by the people of Vietnam with an important donation of 10,000 tons of rice. For his part, Nguyen Cong Tan reiterated the desire of Hanoi to contribute to the development of Cuban agriculture and comply with the signed agreement of supplying 100,000 tons of rice annually during the period of 1993- 1995.

## Inter-Caribbean Affairs

### Taiwanese Officials Visit OECS Members

*FL1603203493 Bridgetown CANA in English 1839 GMT 16 Mar 93*

[Text] Castries, St. Lucia, March 16, CANA—An official three-member Taiwanese delegation is making an official tour of a number of countries that comprise the Organisation of Eastern Caribbean States (OECS), it has been officially announced here.

A statement from the OECS Secretariat here said the delegation, headed by Jeff Tsai, director of Taiwan's Department of Health, will visit Grenada, St. Vincent and the Grenadines, St. Lucua, Dominica and St. Kitts and Nevis during March 16-26.

A meeting is also being scheduled with officials of the Pan American Health Organisation (PAHO) in Barbados.

The statement said the visit to the region was in response to a request from the OECS director general, Dr. Vaughn Lewis, that Taiwan be invited to consider possible areas of assistance to the region.

"It is anticipated that the visits will strengthen the already existing pattern of cooperation and cordial relationships between the Republic of China and OECS member states," the statement said.

## Barbados

### Sandiford Proposes Two-Year Wage Freeze

*FL1603151493 Bridgetown CANA in English 0145 GMT 16 Mar 93*

[By Reudon Eversley]

[Text] Bridgetown, Barbados, March 15, CANA—Barbados Prime Minister Erskine Sandiford Monday proposed a two-year freeze on wages and salaries in the public and private sectors as the centrepiece of a "strong" incomes policy aimed at restoring competitipeness to the economy and as an alternative to devaluing the Barbados dollar.

Presenting the government's 1993-94 budget to the House of Assembly in the role of minister of finance, Sandiford said the problems of declining competitiveness and comparatively high labour costs had led in recent years to an erosion of Barbados' comparative advantage in the international economy.

Noting most Barbadians were against adjusting the exchange rate of the Barbados dollar in relation to the U.S. dollar, Sandiford, in a speech lasting two hours and 50 minutes, said "Wage restraint, across the board, both in the public sector and in the private sector, must be instituted as a firm and strongly anchored policy."

"If we seek to nibble away at the edges of this policy, then we may be bringing closer to actuality the day when other policy instruments might apply," he warned Barbadians, in a veiled reference to devaluation.

Sandiford said government planned to have consultation on the proposed incomes policy with workers' and employers' representatives. Once agreement is reached, the policy will be put into legislation. Under the policy, pay increases will be linked to increases in productivity.

The budget envisages a total expenditure of 1,070.0 million dollars (one Bds dollar ; 50 cents US) which was computed in accordance with International Monetary Fund [IMF] methodology which excludes items such as amortization and expenses for the airport and government printery. Total revenue, also in line with IMF practice, was put at 1,046.8 million dollars, leaving a 23.2 million dollar deficit.

To bridge this gap, the budget brought in 21.6 million dollars in additional revenue. The remaining gap will be closed by reducing the public sector wage bill through a policy of restricting the employment of substitutes "except in very special cases", Sandiford said.

Sandiford announced the IMF would continue to play a role in the Barbados economy after the government's 18-month standby arrangement with the Fund ends in May.

The IMF's role will be consultative and will relate to issues covering external and domestic policy including Barbados' external payments position, management of the international reserves, the exchange rate, government spending, and aggregate demand management.

"To this end, we will seeking within the framework of the Fund's articles of agreement, to invoke the enhanced surveillance policy and procedures of the fund," Sandiford said.

"Under this arrangement, it is hoped that the Fund would be involved, at the request of Barbados, in advising in the design of an economic programme and in monitoring developments," he added.

After the end of the stabilization programme in May, the government plans to pursue a structural adjustment programme with support expected from the World Bank and Inter-American Development Bank (IDB).

Revenue measures included increases in consumption tax to compensate for revenue losses resulting from the proposed introduction on April 1, of the reduced Caribbean Community Common External Tariff and the removal of a 20 per cent surcharge on some Caricom imports, and an increase in fees for immigration services.

### PM Sets Economic Growth Rate Target at 3.5 Percent

*FL1603202393 Bridgetown CANA in English 1904 GMT 16 Mar 93*

[Text] Bridgetown, Barbados, March 16, CANA—The Barbados Government is aiming for the restoration of an economic growth rate of at least 3.5 per cent by 1996, Prime Minister Erskine Sandiford said Monday evening. Presenting the government's 1993 budget in Parliament, Sandiford said the growth target formed part of a government-formulated "Agenda for Structural Reform" aimed at laying the basis for Barbados' participation in the global economy into the 21st century. The Barbados economy has been in decline since 1990 after growing by an average of 2 per cent in real terms from 1970 to 1989. Last year saw the rate of decline slowing to 4 per cent compared with 4.2 per cent in 1991.

Sandiford's comments came as the government prepares to embark on a structural adjustment programme, aimed at restoring competitiveness to the Barbados economy which is about to emerge from an 18 month period of stabilization that followed a deterioration of internal and external payments deficits.

Other aims of the "Agenda for Structural Reform" include maintaining a balanced government budget, improving sectoral performance of the economy through better use of resources and supporting export activities by offering more attractive incentives for investments in foreign exchange earning projects. The government also wants to achieve a balance between the value of exports and imports, reduce protection in the economy to encourage more efficient use of resources, improve and diversify the skills of Barbadian workers, and strengthen the economy so that it can better face future shocks.

Having successfully stabilized the economy, Sandiford said structural adjustment was now necessary if Barbados wished to maintain the current fixed exchange rate, contain inflation, reduce employment, and promote economic growth.

Components of the structural adjustment programme, to be supported by the World Bank and Inter-American Development Bank, include an incomes policy which has as its centrepiece a two-year freeze on wages and salaries in both the private and public sectors, trade liberalization, public sector reform, and sectoral reform. The incomes policy, being promoted by the government as an alternative to devaluing the Barbados dollar, will link pay increases to productivity gains. It seeks to address the problem of high production costs of which labour is a main component, and restore competitiveness.

Sandiford said trade reform here would follow the international trend where countries are dismantling non-tariff barriers to freer trade. He reported differences with the World Bank in this regard, with the bank favouring a "fast track" approach while the government preferred cautious action to offset revenue losses. The World Bank is expected to provide Barbados with a structural adjustment loan of U.S.20-25 million dollars.

As Barbadian enterprises become more exposed to foreign competition, the government proposes to make available a support programme that includes improved fiscal incentives, supply of trade facilitation services for exporters, access to manufacturing inputs at world market prices, and creation of an investment fund for manufacturers and producers of services. Accompanying the move towards trade liberalization will be an updating of Barbados' anti- dumping legislation and the dismantling of the government's system of price control.

## Haiti

### Official on Detention of Sailor Accused of Desertion

*FL1503215093 Port-au-Prince Radio Metropole in French 1145 GMT 15 Mar 93*

[Text] The local news is about the desertion of a Haitian sailor which is becoming a state matter. The U.S. President has intervened to demand the release of a member of the Haitian military who was arrested on 11 March while he was about to board a plane at the international airport to go to the United States. William Corascelan had a refugee visa typically issued by the U.S. Embassy in Port-au-Prince. The soldier, who was attached to the Navy, had deserted the Army for some unknown reason and was sentenced to two years of hard labor. For the U.S. President, it is a serious matter. Bill Clinton has been reviewing with his foreign policy advisers the possible stands to adopt in this matter.

In Port-au-Prince, the military authorities decided to take another action against the soldier who deserted and who is currently imprisoned. According to Haitian Army General Staff spokesman Jean- Robert Gabriel, it is a simple case of desertion punishable by the Haitian Military Code. Our reporter Ricket Michel filed a report.

[Begin Michel recording] The Army General Staff is very clear regarding this affair. Colonel Jean-Robert Gabriel explained to Radio Metropole that it was a basic case of desertion. The Armed Forces high-ranking officer who confirmed the arrest of soldier William Corascelan, who is attached to the Haitian Army, said that the defendant was tried in his absence and sentenced for desertion, which is punishable by the military code of justice. In addition, Col. Gabriel said the soldier would be tried before a new court in a public and counter sentencing [pour un jugement public et contradictoire]. He cited as a reference, the provisions of military code of justice and the Haitian code of criminal instructions. The sailor was sentenced in December 1992 for desertion, after deserting his post for 10 days.

Following this sentencing, an order was issued to apprehend the deserter. Therefore, the Haitian military authorities do not intend to comply with the requests

expressed by Washington. The U.S. State Department expressed its stupefaction and protested on 12 March. It demanded the release of the sailor who was in possession of a political refugee visa issued by the U.S. Embassy in Port-au-Prince. The U.S. chief of mission in Port-au-Prince passed on his government's protest note to the Haitian authorities who promised at first to facilitate the departure of the political refugee. At the time of his arrest at the International Airport in Port-au-Prince on 11 March, the sailor was accompanied by an employee of the U.S. Embassy. [end recording]

### Sailor To Be Court Martialled

*FL1603170493 Port-au-Prince Radio Tropic FM in French 1200 GMT 16 Mar 93*

[Text] Concerning the soldier who deserted the Haitian Army, the Army High Command affirmed its determination to refer sailor Coraslin Williams to a court martial despite the protests of the U.S. Government demanding his release. In a communique issued by the High Command of the Armed Forces, the Army expresses its willingness to cooperate with the U.S. Administration while complying with the Constitution and Haitian law. Incidentally, it hopes the U.S. immigration authorities will be more vigilant in examining future files.

The text points out that this incident in no way affects the procedure established by the U.S. Administration to grant refugee status or political asylum to applying Haitians. According to this communique, (Sam Martin), U.S. Immigration Service representative in Haiti, was advised of the juridical implications of Williams' case at Army headquarters on 12 March.

On 12 March, the State Department said it was scandalized by the arrest of sailor Coraslin Williams.

### Thousands of Haitians File for Refugee Status in U.S.

*FL1603220993 Port-au-Prince Radio Metropole in French 1700 GMT 16 Mar 93*

[Excerpts] Haitian requests for refugee status in the United States continue to increase at the office which works on these applications in Port-au-Prince. U.S. authorities intend to open two other centers, one in the north and another in the south. Meanwhile in Port-au-Prince, service continues as normal. Nine thousand cases have already been filed. Rothschild Francois Junior has filed a report.

[Begin Francois recording] Approximately 9,000 Haitians have filed the preliminary application for refugee status in the United States. On the fifth floor of the National Bank of Paris [BNP], which accommodates the annexes of the Immigration and Naturalization Services, citizens fill out the document that could entitle them to refugee status. The applicants' files, considered high priority, are reviewed within seven days if necessary. The center has already interviewed 3,380 Haitians, who have applied.

Two new centers to process refugee files will be open soon in the north and south of the country. With this initiative, U.S. authorities think that the program will become available to Haitians in rural areas and to those who hesitate to come to Port-au-Prince. Among the 9,900 registered applicants, 414 were entitled to refugee status, 243 have already left the country for the United States, and 2,962 requests have been denied. On 15 March, a considerable number of applicants could be seen lined up outside the BNP premises on Lamarre Street, where the center for refugees is located. [passage omitted].

Remember that all refugees are accompanied by refugee center authorities when they leave the country. Those refugees usually leave Haiti without problems, except in one or two cases where the embassy had to intervene.

The U.S. Government remains convinced that this program offers a safer alternative to Haitians who wish to request refugee status in the United States. This program prevents them from risking their lives on the high seas in makeshift boats. [end recording]

### Additional Professors Dismissed at University

*FL1603173193 Port-au-Prince Radio Tropic FM in French 1200 GMT 16 Mar 93*

[Excerpts] Chaos persists at the Haiti State University. The approach adopted by the national education minister, which is maintained and reinforced by Gerard Bissainthe, is still being criticized. Sectors in the university and various institutions or personalities have rejected measures such as the dismissal of the board of directors elected within some faculties, the closing of the Teachers' Training School [ENS], the nonvalidation of the yearly diplomas of the Faculty of Medicine and Pharmacy, and the total and partial dismissals of professors of some faculties.

The latest contestant viewpoint is that of Rosny Desroches, the national education minister under the first provisional government installed 7 February 1986. According to Professor Desroches, closure the ENS is a very regrettable decision. He thinks such measures are not appropriate to effective management of the university crisis. I do not understand that how one can reach this extreme, stated Mr. Desroches during an interview with Tele-Haiti. [passage omitted]

Despite the extent and the consequences of Gerard Bissainthe's measures, the university crisis does not seem to constitute a priority problem for the Bazin government. Nor should one believe that the recent measures are quite in compliance with the governmental vision of this crisis, because this problem has not been discussed during the last two Council of Ministers meetings, according to published reports. We do not yet know whether the Nationalistic and Progressive Revolutionary Party of Haiti has positively informed this government—of which it is one of the few member parties—of the stand expressed by its leader [Senator Serge Gilles]

on the file. [There are] multiple protests on one side and silence or agreement on the other.

Bissainthe remains determined in his actions. He continues to dismiss university professors who show their disapproval of his measures. After the ENS and the Faculty of Agronomy, it is now the turn of the Faculty of Sciences. Nine professors have been dismissed by Gerard Bissainthe, the interim rector designed by the Bazin government. Those professors were observing a stoppage of work to protest Bissainthe's dismissal—deemed illegal—of the board of directors of the university institution [Faculty of Sciences] and establishment of a second session during an academic session.

The nine professors received their dismissal letters on 11 and 12 March. They are dated 17 February, whereas the reopening of the university was scheduled for 1 February. This means, says one of the dismissed professors, that the cause, desertion of one's post, put forward by the rectorate can in no way be based on only 15 days of absence. In his opinion, this decision was made before the [date announced for the] opening of the university. [passage omitted]

### RDC Calls For Popular Efforts for Aristide Return

*FL1603175393 Port-au-Prince Radio Metropole in French 1145 GMT 16 Mar 93*

[Text] Eddy Volel, leader of the Christian Democratic Assembly [RDC], hopes this meeting will pave the way to a solution of the political crisis. However, he thinks that efforts must be made in the field.

[Begin Volel recording, in Creole] [words indistinct] But one must also realize that when one lets a neighbor deal with one's business, it never comes out the way one wishes. In this sense, we must make our own efforts to achieve the return of democracy, the return of Aristide how and when we wish it.

To cure one's own body, one must take care of it. It is because we have been waiting for others to solve our problems that we are now in this situation. If we let our neighbor choose for us, he would choose first what is good for him; then we have to accept what he wants to offer us. Let us choose a good patriot, a courageous man or woman as a prime minister, and let us also set a deadline for the return of Aristide because Bazin and his team no longer count. RDC asserts that no foreigner can give us what we want. Our struggle, our strength, our courage, our determination and demonstration [Operation Beton] are the means we must use to get what we want. [end recording]

## Jamaica

### Civil Servants Accept 1-Year Pay Package

*FL1603224293 Bridgetown CANA in English 2044 GMT 16 Mar 93*

[Text] Kingston, Jamaica, March 16, CANA—The Jamaica Civil Service Association [CSA] has accepted a one-year pay package under which members will accept government bonds instead of immediate cash for the bulk of their salary hike. For the first eight months of the agreement, from April 1992 to December this year, civil servants will be entitled to a 35 per cent increase on basic pay. It is for this portion of the increase that they will accept bonds, which will carry base rate of 23 per cent, two points above the average rate on Treasury Bills [T-Bills]. The two-point differential between the bonds and Treasury Bills will be maintained if T-Bills move upwards.

"The thing is we have a floor but no ceiling," said CSA president, Eddie Bailey.

Between December and officially, up to next March, civil servants will receive an additional 15 per cent increase on current base salaries—taking increase for those four months to 50 per cent. The package, in concept, is similar to one agreed to by teachers, but whose settlement over two years was for a 60 per cent increase a year. The teachers accepted seven-year bonds as part payment of their salaries.

Bailey said the maturity period for the bonds for civil servants has not yet been decided on, but that his association would prefer three to five years.

"We are negotiating, but it could be a maximum of seven years," he said.

The package, including a 40 per cent increase on all allowances, is well below the demands of the CSA and its acceptance has caused tensions between the association's executive and some of its members. Bailey has argued that a significant element of the agreement was beyond the current wage settlement, but a commitment by the government to bring civil servants over the next three years to within 85 per cent of pay in the private sector.

The government will help the CSA to fund training programmes for its members, beyond any underaken by ministries, to improve skills and overall efficiency.

"That to us is a significant development," said Bailey.

### Central Bank Denies Liability for Caymans Note

*FL1603203393 Bridgetown CANA in English 1650 GMT 16 Mar 93*

[Text] Kingston, Jamaica, March 16, CANA—Jamaica's Central Bank, rejecting liability for a US3 million dollar promissory note allegedly signed on its behalf, seems set to fight a suit in court here by a Caymanian bank seeking to redeem the money.

"The (Central) Bank of Jamaica has already stated that it is not liable and is prepared to go to court over the matter," an authoritative banking source told CANA.

Dextra Bank and Trust Company of the Cayman Islands last week filed a suit in the Jamaican courts, demanding principal and interest on the note which is one of the

central issues in the current investigation of illicit foreign exchange trading at the Central Bank.

The promissory note, dated January 20, purportedly carries the signature of Central Bank Deputy Governor Rupert Straw and staffer Orville Beckford.

The Central Bank has claimed that the loan and promissory note had been unauthorised and that Straw's signature was forged.

The loan was ostensibly for 90 days with 25 per cent interest paid monthly.

Straw has been on leave since the goverment last month began an enquiry into the Central Bank's operations and Beckford is overseas.

The issue revolved around opposition allegations that the Central Bank's roving currency agents, who operated outside the commercial banking system, bought foreign exchange at higher than posted rates. The opposition suggested that a "slush fund" was used to make up the difference between the official rate and the rate quoted by Central Bank.

## Salinas Vows Support for Industrialists

*PA1703041293 Mexico City XHTV Television Network in Spanish 0200 GMT 16 Mar 93*

[Text] President Carlos Salinas de Gortari announced to the industrialists that the government will not forget them and will support them through actions. Speaking at the closing ceremony of the 75th General Assembly of the Confederation of Industrial Chambers, Salinas de Gortari pointed out that Mexico will not participate with low salaries in the North American Free Trade Agreement.

[Begin Salinas de Gortari recording] It has been proven that Mexican workers are highly qualified, and that is to our advantage because it improves production. That is why we have reaffirmed that we are not planning to participate in the Treaty by paying low salaries. On the contrary, the treaty will allow our economy to grow, it will increase productivity, and therefore, it will increase salaries. [end recording]

President Salinas assured the industrialists that the goverment will not change its macroeconomic policies.

[Begin Salinas de Gortari recording] Our Mexican entrepreneurs will invite foreigners to be their partners or employees. But our entrepreneurs will continue to head their enterprises because we will continue supporting them with actions to aid in their continued progress. [applause] These are the kind of Mexican entrepreneurs that we have had for several generations. Our country is not seeking its industrialization. Our country seeks a productive transformation and greater efficiency. [end recording]

President Salinas de Gortari told the entrepreneurs that the government will support the industrialists' intiatives for establishing more efficient production measures that will respect the ecology and the environment.

[Begin Salinas de Gortari recording] We have learned that it is less expensive to prevent than to reverse. It is better to take action to prevent environmental damage than it is to try later, for decades or for generations, to recoup what has been destroyed. [end recording]

## Promises To Fight Unfair Trade

*PA1603174093 Mexico City XHTV Television Network in Spanish 0200 GMT 16 Mar 93*

[Text] President Carlos Salinas de Gortari said during a meeting with industrialists in Guanajuato State that Mexico will act firmly in the face of unfair trade practices.

[Begin Salinas recording] We will take strong actions against dumping and those who think they can enter our market through abuse instead of with quality products. [end recording]

The president made the statement at Los Pinos presidential residence, where he witnessed the signing of a contract for the establishment of the Ecology and Industrial Park of Tannery at Leon, Guanajuato.

Speaking before the industrialists and Governor Carlos Medina Placensia, the president added that we are ready to compete as long as there are no abuses such as dumping. He instructed the commerce secretary to meet with a commission of tannery industrialists to study and promote actions that will prevent the unfair competition that Mexico is no longer willing to receive.

[Begin Salinas recording] We not only want free trade, but free and just trade, so we can promote more employment in our country and sales of our products on international markets. [end recording]

The president also promised that financial resources at competitive rates will also be studied.

## Costa Rica

### Embassy Occupiers Threaten Violence if Takeover Attempted

*PA1603185793 San Jose Radio Reloj in Spanish 1730 GMT 16 Mar 93*

[Report by Bernie Vasquez from near the Nicaraguan Embassy in San Jose—live]

[Excerpt] A normal situation prevails outside the Nicaraguan Embassy. Central Avenue was again opened for normal traffic at 0100 on 15 March. There was a change of guards at 1100 on 16 March. The guard is normally changed at 1100 and 1700. We repeat, a normal situation prevails here.

The kidnappers issued press communique No. 12 a few hours ago. They issue these communiques so the media will make them public. Our colleague Gerardo Cruz reported at 0200 that the kidnappers had issued communique No. 12, in which they said they would immediately take violent actions if the embassy were taken by force. [passage omitted]

## El Salvador

### FMLN Directorate To Comply With Commission Recommendation

*PA1603232293 San Salvador Radio Venceremos Network in Spanish 1800 GMT 16 Mar 93*

[Text] Attention, attention, this is a last minute news item: It was announced that former Salvadoran guerrilla leaders mentioned in the Truth Commission report can take part in the 1994 general election campaign, but cannot run for public office. The document delivered on 15 March to the United Nations accused Farabundo Marti National Liberation Front, FMLN, leaders Joaquin Villalobos, Ana Guadalupe Martinez, and Jorge Melendez of ordering the murders of some 11 mayors between 1988 and 1989.

The Truth Commission recommended that the former FMLN leaders should not hold public office for the next 10 years, which will be complied with, the FMLN directorate announced.

The commission's resolution says we cannot be public officials. To campaign, to be part of the FMLN, and to contribute to the organization—that is something else, clarified Villalobos. We are going to be FMLN members to the end, he underscored.

### Vice President Calls Part of Truth Commission 'Insulting'

*PA1603230093 San Salvador Radio Venceremos Network in Spanish 1800 GMT 16 Mar 93*

[Text] Vice President Francisco Merino describes as insulting the part of the Truth Commission report referring to Major Roberto D'Aubuisson as the person responsible for the 1980 murder of Monsignor Oscar Arnulfo Romero. During a television interview, Merino indicated he cannot explain the boldness of naming D'Aubuisson as the intellectual author of the murder based on information by criminals serving time in jail. He added his party, the Nationalist Republican Alliance, is unhappy with the Truth Commission, as some cases involving government officials were not investigated, such as the case of former Presidency Minister Antonio Rodriguez and others. He added a broad and just general amnesty would be a practical and realist measure to take in the wake of the report to begin a new life in the country.

### Arena President Criticizes Truth Commission Report

*PA1603225793 San Salvador Radio Venceremos Network in Spanish 1800 GMT 16 Mar 93*

[Text] Dr. Armando Calderon Sol, president of the Nationalist Republican Alliance [Arena] Party, said the Truth Commission report completely lacks credibility because its members did not have enough time. I get the impression the Truth Commission has not done a serious or responsible job to the extent the Salvadoran people expected because it had neither the time, the information, nor the evidence, Calderon Sol said.

In an interview with a local television channel, the party leader minimized the importance on reports about Roberto D'Aubuisson, former leader and founder of the Arena party, who is charged with ordering the murder of Monsignor Oscar Arnulfo Romero in 1980. On the contrary, Calderon Sol stressed, D'Aubuisson played an important role in the building of democracy in El Salvador. In addition, Calderon Sol said it is time to heal the wounds and that we should not look back, on the contrary, we must look to the future and added that a general amnesty is what is best for the people.

## Guatemala

### Government Position at Peace Talks Explained

*PA1603231093 Guatemala City SIGLO VEINTIUNO in Spanish 13 Mar 93 pp 13, 14*

[Text] The government and the guerrillas are meeting in Mexico to reach an agreement to overcome the stalemate in the peace process. The human rights issue has bogged down the peace process since August.

SIGLO VEINTIUNO obtained access to a confidential Peace Commission document. The government Peace Commission is chaired by Manuel Conde. The document is addressed to mediator Monsignor Fernando Quezada Toruno. It explains the official government position at the negotiation table.

We consider this information to be of public interest. Here are the most important parts of the document:

The Guatemalan Government has been insisting that the meeting with the "commanders" of the Guatemalan National Revolutionary Unity (URNG) in Mexico should conclude with the signing of the Comprehensive Agreement on Human Rights.

The meeting should conclude with the following: the signing of the protocol establishing the timetable for the peace process; specific proposals to the UN secretary general for the immediate verification of the Comprehensive Agreement on Human Rights; a definitive cease-fire and concentration of the URNG's armed members; and the disarmament and demobilization of the guerrilla fronts.

Another result of the meeting should be the implementation of the 90-day phase for the discussion and preparation of the agreements on the following topics:
1. Arrangements for the definitive cease-fire;
2. Placement and relocation of the people displaced by the internal armed confrontation;
3. Strengthening of civilian power over the functions of the Army to meet the needs of a democratic society;
4. Identity the rights of Indian peoples.

According to the government proposed timetable, on 14 June, 90 days after the signing of the "Mexico II Agreement," a definitive cease-fire will be established and the URNG's armed members will be concentrated under the supervision of the United Nations.

On 14 June, the second phase, lasting 60 days, will begin the following actions:
1. The discussion of substantial topics pending from the previous phase.
2. The discussion and drafting of agreements on the following topics:
 a. Socioeconomic aspects;
 b. Constitutional reforms;
 c. Bases for the URNG's incorporation into the country's political life.
3. Drafting of the timetable for the implementation and verification of the adopted agreements.
4. Drafting of the Agreement for Firm and Lasting Peace.

According to the calendar of the governmental Peace Commission, the previous two phases of the negotiation process should be completed by 14 August:
1. The Agreement for Firm and Lasting Peace will be signed.
2. Demobilization of the URNG in accordance with the approved timetable.
3. Fulfillment of all the commitments contracted by the parties in the agreements on substantial and operative topics in accordance with the established timetables.

According to the Peace Commission, to guarantee the best use of time during the current meeting, participants must take advantage of "the resumption of the negotiations, achieved after President Jorge Serrano's proposal to his people and to the international community, which created general and well-founded hope that peace will soon be reached."

The document obtained by SIGLO VEINTIUNO indicates that the Peace Commission considers its proposal to be the working document for the next meeting (which is being held in Mexico). "It also believes it is advisable for all participants to begin considering the substantial topics, which make up the essence of the negotiations. We concur with the URNG on this point, bearing in mind its repeated statements in this regard," states the document.

The Peace Commission finds it surprising that at a time when specifics should be addressed, the URNG displays much more interest in procedure rather than substance, "as is evident in the documents presented during the meeting held on the week of 23 February, in which the URNG even proposed annulling the Mexico Agreement. The Mexico Agreement contains the procedures already signed by the parties and establishes the mechanisms for the negotiations."

According to the Peace Commission, the URNG's mannerism entails a step backward, which places the negotiations at the stage in which they were two years ago, prior to 26 April 1991, when the Mexico Agreement was signed.

It is also this commission's opinion, the document adds, that we should concentrate on the discussion of substantial topics within the framework of the documents presented by both parties: "Guatemala: A Just and Democratic Peace, Content of the Negotiation" drawn up by the URNG and the government's reply contained in the document: "In Reply to the URNG's Overall Proposal."

The government believes that "if there is really a desire to speed up the negotiations, as the URNG has stated, we should move ahead and immediately request that the UN secretary general draw up the documents on the verification of the agreements on human rights, on the definitive cease-fire, on the concentration of guerrillas, and on the demobilization and disarmament of the guerrilla fronts."

## URNG Reports Army Incursion in Mexican Territory

*PA1703022493 Guatemala City SIGLO VEINTIUNO in Spanish 13 Mar 93 p 6*

[Text] On 12 March, in Mexico City, the Guatemalan National Revolutionary Unity [URNG] reported that "Guatemalan Army troops entered Mexican territory on 9 March while persecuting more than 1,000 Guatemalan citizens who crossed the border seeking asylum."

The incident was reported in a dispatch by the Guatemalan News Agency [ANG]. Arturo Alvarez Perez, the Presidency's public relations secretary, said "the source of those reports is highly questionable."

The ANG dispatch reported that according to the rebels, the Guatemalan soldiers crossed the border near the town of Puerto Rico, Chiapas. But the Guatemalan

soldiers were stopped by the Mexican Army, UN representatives, and Immigrations officials, in presence of members of nongovernmental organizations.

The URNG reported the case in a bulletin distributed at the Del Prado Hotel in Mexico City, where negotiations between the rebel commanders and a government delegation are taking place. According to the URNG, the military incursion was aimed at intimidating the refugees.

Alvarado Perez down-played the reports in Guatemala City, saying that ANG is "a URNG news agency, as is CERIGUA and ENFOPRENSA." It was not possible to obtain the National Army's reaction.

URNG leaders in Mexico City stressed that "Guatemala's demilitarization is a "fundamental" condition to attain firm and durable peace." Miguel Angel Sandoval, member of the URNG Political-Diplomatic Commission, did not rule out the possibility of an immediate agreement on the human rights issue.

### Presents Peace Proposal

*PA1703021293 Guatemala City SIGLO VEINTIUNO in Spanish 13 Mar 93 pp 13,14*

[Text] After conducting an "in depth and serious" evaluation of the official proposal on the current plenary meeting agenda in Mexico, the URNG [Guatemalan National Revolutionary Unity] has presented a new proposal to the Peace Commission. The most important points of the document disclosed by the subversive group are as follows:

We believe, the URNG says, that we have properly identified and assessed the positive aspects of previous meetings, from the viewpoint of our shared need to make the negotiating process more viable and to find adequate formulas for seriously and consistently expediting the process for successfully ending our country's internal armed conflict.

"Our proposals have been outlined taking into account what a serious negotiating process should be like. Our proposals are based on the governing principles of fairness and effectiveness. Our main concern lies in safeguarding the negotiation's content and direction. It would be an historically irresponsible and futile exercise for us to be resigned to less than a substantive content," the URNG document states.

The guerrillas' proposal states that the URNG leadership is convinced that the need to make the process flexible and speedy must be compatible with its substance and depth. The URNG commanders insist that: "Not only is it possible to obtain timely results, it is also possible to obtain results that address the main issues."

They add: "Without any doubt, our proposal meets this challenge. Our proposal's strategy goes beyond partial accomplishments that could eventually transform into obstacles. It provides integral answers. We hope and trust that this is the way it will be understood."

In presenting the proposal, the URNG called for reflection and good will "to accomplish prompt and concrete results and to face all the dimensions of the challenge."

The URNG document states that their proposal reorders the discussion topics included in the General Agenda and condenses them in such a way as to provide a methodical, coherent, and dynamic direction to the negotiation process.

The guerrilla leadership suggested the following issues to be included in the agenda:

1. The conclusion and signing of the Human Rights Agreement, including mechanisms and deadlines leading to its implementation and immediate international verification. Each party will request that the UN secretary general issue a certification of the verification mechanisms.

2. Analysis and agreement of a protocol that will establish new mechanisms for the advancement of the negotiation process. This protocol would be signed before honorable witnesses who would guarantee compliance. The essential content of the protocol can be summarized in the following points:

a) The establishment of a support group for the negotiation process.

b) An outline and agreement related to the participation of the civilian sectors in the negotiation process.

c) The establishment of compliance and verification mechanisms for the agreements included in the protocol.

3. A commitment, with respect to the meeting's itinerary, for the handling and approval of the fundamental and operative agreements included in the General Agenda established in Mexico that involves the following elements:

a) Placement and relocation of the population displaced as a result of the internal armed confrontation.

b) Strengthening of civilian power over the functions of the Army to meet the needs of a democratic society.

c) Identity and rights of indigenous groups.

d) Arrangements for a definite cease-fire.

e) Socioeconomic aspects.

f) Foundations for the incorporation of the URNG into the country's political life.

g) Constitutional reforms.

h) Signing of a firm and lasting peace agreement and a demobilization.

The guerrilla leadership believes that the grouping and handling of the topics agreed upon in Mexico is aimed at providing a logical, realistic, and objective thrust to the peace process. It also solves the problems of segregation

and the lack of continuity in the order of discussion between basic and working topics.

"Our proposal introduces the grouping of essential and working topics which, when dealt in a successive manner, will expedite overall political agreements of immediate application. This implies concrete accomplishments in the essential discussions, which will lead to significant progress in the peace process," states the URNG document.

The document concludes by stating that these points will allow both parties to express their respective political will. The document will also provide swiftness to the negotiation process, and the realization of a prompt, firm, and lasting peace.

## Mexico Officially Protests Army Raids at Border

*PA1603232593 Guatemala City Teleonce Television in Spanish 1800 GMT 16 Mar 93*

[Text] The Mexican Government has charged that Guatemalan soldiers have violated Mexican territory. On 15 March, an official protest was presented before Jorge Serrano's government for this raid. The protest note indicates that an unspecified number of Guatemalan Army soldiers entered the town of Puerto Rico located in the state of Chiapas, Mexico for reasons still unknown. The soldiers are members of Military Zone No. 22, stationed at Playa Grande, Quiche. The protest note was delivered by Mexican Ambassador Pedro Vasquez to Foreign Minister Gonzalo Menendez Park. According to a Mexican Embassy communique, Minister Menendez Park told Ambassador Vasquez he only learned about this matter through the media and that he would communicate the incident to President Serrano and to the defense minister. At the request of the Mexican mission, the foreign minister offered to order an investigation of this case to avoid new incidents in the future.

Regarding this information, the CERIGUA News Agency said that it has been known since the beginning of March that the Guatemalan Army launched a military offensive against the noncombatant civilian population in Quiche. In addition, the news agency reports Guatemalan soldiers crossed over the border and bombed the border area until 14 March.

## Soldiers Dismantle Large Rebel Bomb Factory

*PA1703015693 Guatemala City EL GRAFICO in Spanish 14 Mar 93 p 5*

[Report by Ricardo Gatica Trejo]

[Text] The El Quiche military commanders have reported that Guatemalan soldiers dismantled one of the Guatemalan National Revolutionary Unity's [URNG] biggest bomb factories in Ixcan Grande, Northern El Quiche. The factory was located approximately 200 meters from the Communities of Resistant People.

They also reported finding and dismantling a clandestine armory in the same area and a guerrilla camp located in the Alta Verapaz area. The camp contained weapons, explosives, medicine, radio equipment, documents, and clothing.

The military commanders reported that soldiers had found an injured 10-year-old boy, dressed in military apparel, in Playa Grande, El Quiche, during the military operation held on 8 March. The soldiers rescued the boy and sent him to the Guatemala City military hospital. On 6 March, troops found the body of a guerrilla who was killed during a clash between government troops and a rebel group in the same area.

The Playa Grande military commanders said that possibly the harshest blow dealt to the URNG during the past week was the discovery and dismantling of its bomb factory and clandestine armory. They found a total of 283 equipped and ready-to-use bombs of various sizes at the bomb factory. The soldiers also found other explosives, including projectiles, 18 packages of Tobex explosives, six booby traps, and material needed to make bombs, which were to be exploded in rural and urban areas.

At the rebel armory, soldiers found 35 complete rifles of different makings; 36 cases containing AR-15 rifle parts, 17 Galil rifle butts, nine carbines, and three quintals of spare parts in poor condition.

### The Alta Verapaz Situation

Colonel Victor Manuel Argueta, Alta Verapaz military commander, told journalists, invited by the Armed Forces to Coban and taken there in a helicopter, that a column of approximately 60 Rebel Armed Forces [FAR] guerrillas had been operating in the area since the latter part of 1992.

The officer added that the FAR guerrillas have committed acts murder, kidnapping, thievery, and property destruction in the area. Their criminal actions have negatively affected the civilian population and prompted the Armed Forces to initiate operations to overcome the guerrillas. He said the FAR guerrillas had murdered civilians, destroyed a bridge used by peasant communities, and sabotaged fuel and oil pipelines.

Col. Argueta said that in response to those actions, the Armed Forces had initiated actions, which have had positive results. For example, the troops discovered a guerrilla camp in Raxruja, southeastern Rubelsanto, and found weapons, ammunition, explosives, molds to make Claymore mines, medicine, food, kitchen appliances, and documents. The soldiers also found olive green uniforms, binoculars, six hammocks, and seven knapsacks and belts.

Argueta, who met with the journalists, was accompanied by Col. Carlos Rene Moreno, second commander of the Coban military zone, and Major Hugo Giron of the Civil Affairs Office. He stated that the guerrilla groups were a part of the FAR operations in northern Alta Verapaz.

The officer said the FAR group has centered its operations in a northern road area, adjacent to El Peten. He added that Army troops constantly and routinely patrol the area.

He mentioned that during 1993, four of his soldiers had sustained minor injuries. He estimated that FAR guerrillas had suffered at least six deaths during the same period. He said FAR groups operate in a corridor of approximately 30 km in width that goes from El Quiche to Izabal.

The officer said his troops worked to locate and dismantle guerrilla groups within the corridor. The Coban military commander added that the FAR group had lost one of its main camps and lost valuable weapons, ammunition, food, and documents.

The Coban commander stated that the guerrillas had generalized their activities, but said Army operations to control guerrilla activities and establish peace for the civilian population had not diminished.

## Nicaragua

### Government Offers Costa Rica Commando Forces

*PA1603175793 Managua Radio Catolica in Spanish 1100 GMT 16 Mar 93*

[Text] The Nicaraguan Government offered the Costa Rican Government commando forces to evict the occupiers from the embassy in San Jose. The proposal was flatly rejected by the Costa Rican Crisis Committee. The Nicaragua Government decided to send two top police officers, Police Chief Fernando Caldera and Leonel Espinoza from the Police Academy, to coordinate a possible assault with Costa Rican policemen.

The Costa Rican Crisis Committee, which is handling the occupation of the Nicaraguan Embassy in San Jose, has been taking prudent actions according to diplomatic law, a government official told this newscast.

The Nicaraguan Government, however, has rushed into things on several occasions, which has angered the Costa Ricans. First, Violeta Chamorro's administration tried to fool the Costa Rican Government by not sending the high-level delegation it had promised. Once in Costa Rica, the Chamorro administration asked for violent actions against the embassy. To top it all off, the administration even offered special Sandinist troops to carry out the action. The Nicaraguan Government also tried to blame the Costa Rican Government for the events in the embassy, charges that were denied by the Costa Ricans.

Relations between the countries are tense, and Costa Rican Public Security Minister Luis Fishman will decide if the presence of Cardinal Miguel Obando y Bravo is necessary, because Violeta Chamorro's administration has failed to meet its commitments.

### Presidency Issues Communique on Embassy Situation

*PA1603184993 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 16 Mar 93*

[Text] President Violeta de Chamorro is very worried about finding a solution to the Nicaraguan diplomatic situation in Costa Rica. She called an urgent meeting of her Security Council to seek alternatives and feasible formulas that will guarantee the hostage's release. During the meeting, members of the cabinet kept in touch with the Costa Rican authorities as well as with His Eminence Cardinal Miguel Obando y Bravo. The following communique was issued at the end of that meeting:

The Information and Press Directorate of the Presidency of the Republic hereby announces the following regarding the takeover of the Nicaraguan Embassy in Costa Rica:

1. The president of the Republic has once again instructed Government Minister Alfredo Mendieta Artola and Deputy Foreign Minister Jose Bernard Pallais Arana to travel on 15 March to San Jose. The purpose of the mission is to coordinate with Costa Rican authorities and find feasible alternatives for a peaceful solution to the problem that will guarantee the hostage's prompt release.

2. The president of the Republic of Nicaragua has asked Costa Rican authorities to authorize the entry of a medical doctor to examine the hostages.

3. The president of the Republic has once again talked with Cardinal Miguel Obando y Bravo to inform him of the decision to send the mission back to Costa Rica. Cardinal Miguel Obando y Bravo reiterated his willingness to continue to act as mediator. Issued in Managua, 15 March 1993.

### Vice Presidency Issues Communique

*PA1503225593 Managua Radio Catolica in Spanish 1100 GMT 15 Mar 93*

[Communique issued by the Public Relations Office of the Vice Presidency in Managua on 12 March—live or recorded]

[Text] The vice presidency of the Republic, in view of the serious events that have recently occurred at our embassy in the Costa Rican capital, expresses its deep concern for the fate of Ambassador Alfonso Robelo and the rest of the diplomatic and administrative personnel following the occupation of the embassy building.

It expresses its anxiety because an unfortunate conduction of the negotiations by the Nicaraguan executive could hurt the vital mediation requested from His Eminence Cardinal Miguel Obando y Bravo, thereby increasing the risks of the captives being kept against their will.

It disapproves of the suspension of the negotiations immediately after the female personnel were released, including a close relative of her excellency, the president of the Republic, an important initial sign of success that appeared to be the prelude of real progress toward a complete and definitive solution of the incident, which could now be extended to the detriment of the officials in the hands of the Yolaina Commando.

It hopes the suspension of the negotiations on 11 March will only be temporary and hopes this does not mean the Executive Branch authorities have abandoned Ambassador Robelo and the rest of the members of the diplomatic mission in San Jose or that the authorities are trying to avoid the obligations stemming from our bilateral relations with our neighbor to the south by means of transferring to Costa Rica all the responsibility for the solution of a case, which for various reasons, involves both nations. Abandoning our officials has to be condemned. Avoiding our international obligations would be an act of irresponsibility.

In view of the above, it believes the resumption of the negotiations is urgent because a quick and satisfactory solution to the conflict is necessary to avoid the worsening of events that could lead the brother country to take dramatic actions both nations will regret.

We are willing to contribute our best efforts in the search for a national solution.

[Issued] Managua, 12 March 1993
[Signed] Public Relations Office of the Vice Presidency

## Cardinal Urges Politicians To Reach Agreement

*PA1503223293 Managua BARRICADA in Spanish 15 Mar 93 p 5*

[Article by Noel Irias]

[Text] Cardinal Miguel Obando y Bravo on 14 March urged Nicaraguan politicians "to try to reach an agreement through negotiations because the situation is worsening and people continue to die in this country."

During his Sunday [14 March] homily at Las Sierritas Church, the cardinal described the situation as "grave," because "when life, the basis of all human rights, is not assured, things do not move well."

The prelate recommended "an open and sincere dialogue," that will set aside the interests of the various political groups.

"It is necessary to seek the best for the people. The leaders must seek what is good for the dispossessed," Monsignor Obando y Bravo said. He added he hopes U.S. assistance will come soon and "that money should be used for the very needy people, the ones who are hungry and are suffering through the crisis."

Finance Minister Emilio Pereira, who is recovering from minor surgery, attended mass on 14 March and asked the National Opposition Union (UNO) "to be patient."

He pointed out: "Winning the elections did not mean winning the solutions to all Nicaraguan problems. It meant winning a commitment to work so the country will progress."

Pereira, who seemed tired, said it has been three years since the elections, and the Sandinist National Liberation Front (FSLN) should carefully analyze the situation on the eve of a Sandinist assembly.

"Government and society has offered the FSLN a hand so that it will rejoin society. It is time for the FSLN to strengthen for the benefit of the people. The property ownership problems have not yet been solved, however, we believe that problem will be solved more quickly with the help of the Sandinists," Pereira concluded.

## Former RN Leader Expresses Support for Embassy Occupiers

*PA1603143493 Managua LA PRENSA in Spanish 13 Mar 93 pp 1, 12*

[Article by Alvaro Cruz Rojas]

[Text] The occupation of the Nicaraguan Embassy in San Jose by the "Yolaina Command" of the self-styled Nicaraguan Patriotic Brigade has given rise to a number of questions about the resurgence of various armed groups in the country and possible links with other political groups.

The takeover of a radio station in the capital and the armed actions of the self-styled "3-80 Northern Front" presupposes the existence of a political-military strategy, according to members of the former Nicaraguan Resistance [RN].

A communique circulated on 12 March by the "3-80 Northern Front" states: "If there is any act of violence against the occupiers of our embassy (in San Jose), we will respond by setting off explosives and using the necessary means against state organizations."

In the communique, the recontras support the political demands made by [embassy occupier] Urbina Lara regarding the dismissal of government officials, the trial of high-ranking members of the state security apparatus, and the armed struggle as a means of resolving the current crisis.

The so-called "3-80 Northern Front's" tacit support for the Nicaraguan Patriotic Brigade brings to mind the former structure of the RN, which operated with two main fronts, one in the north and another in the South.

However, the logistical sources of these groups are not clear. Sandinist media link them to rightist politicians, but the rearmed groups attribute their support to "friends inside and out of the country."

The former RN has currently disbanded and separated into two major civic groups: the RN Civic Association, led by former Commanders "Ruben" [Oscar Manuel Sobalvarro Garcia] and "Invisible" [Rodolfo Ampie Quiroz], and the RN Party, whose most visible leader is Luis Fley "Johnson." Both groups deny any links with the armed groups and even claim to be unaware of the armed groups' activities.

Ampie Quiroz said: "Promises made to a large number of people have not been kept, and they have turned to armed struggle in the belief that it is the way to get things done."

Ampie said: "Things have changed. We are in another phase of our process." He added: "There has not been a generalized resurgence of the armed struggle, but armed people are making political demands."

The former rebel chief said: "We ask that things be done properly in line with the program that was offered to all the people. Things must be directed along the path that most Nicaraguans want."

"If the government is intelligent and politically mature, it will stay close to the sectors of the National Opposition Union and things will change. This would also imply the dismissal of General Humberto Ortega. Both things would help us restore our international image and obtain more loans, "Invisible" said.

## Argentina

### Delors, Cavallo, Di Tella Hold 'Very Important' Talks

*PY1703005493 Buenos Aires BUENOS AIRES HERALD in English 16 Mar 93 pp 1, 5*

[Text] (NA)—Jacques Delors, the President of the European Community Commission, held separate talks with President Carlos Menem, at the Olivos presidential residence, and with Economy Minister Domingo Cavallo and Foreign Minister Guido Di Tella yesterday. During the latter meeting Cavallo stressed "Argentina's desire to contribute to the building of a better world."

This hour-long meeting with Delors was also attended by International Economic Relations Secretary Alieto Guadagni and Trade and Industry Secretary Juan Schiaretti.

Cavallo described the meeting afterwards as "very important" as it allowed Argentina to demonstrate to the European Economic Community the favourable investment conditions in this country. The minister pointed out the "no bilateral negotiations were carried out although we took advantage of the opportunity to discuss what could be done to make the world work better." He stressed at the press conference after the meeting that "in a world that increases its trade and encourages investments there is growth and more opportunities for all."

The opportunity to speak to Delors during his Latin American tour was described by Cavallo as "good" because it demonstrated the EEC's firm desire to find out what is happening in this region.

At a press conference offered later on in the day at the Alvear Palace hotel, Delors however expressed doubts about the viability of the Mercosur [Common Market of the South] southern cone market and warned that "repeated devaluations and fixed exchange rates are incompatible with the setting up of a zonal economic community." Although no countries were mentioned by Delors, Brazil periodically devalues its currency so that the exchange advantage favours Brazilian exports over Argentina's.

Delors, who advocates market freedom, drew a parallel between the Mercosur and the problems that exist in the EEC, drawing attention specially to Italy and England who, he said, had diverged from parity on a number of occasions in the past.

As to whether the Uruguay round of the GATT talks would be successful in getting the EEC to lower its agricultural subsidies, Delors pointed out that "EEC member countries have made great efforts to freeze or reduce sown areas and is now awaiting a similar stance from the United States."

Commenting specifically about Argentina's balance of trade with the EEC he said that "Argentina has a two-billion-dollar surplus, something that is not happening in the other countries in the region." Delors also said that it was possible that Europe would be injecting further capital into the country, highlighting the fact that 55 percent of the foreign companies involved in this country's privatization of state owned companies have been European.

### Delors Doubts Feasibility of Mercosur

*PY1703115693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1104 GMT 16 Mar 93*

[Text] EC Commission President Jacques Delors has stated that he had serious misgivings about the feasibility of Mercosur [Common Market of the South], and warned that "competitive devaluations are incompatible with the establishment of a common market."

He thus alluded to—even though he did not mention it directly—Brazil's policy, inasmuch as the resultant exchange advantage vis-a-vis Argentina from the periodic devaluation of its currency favors Brazilian exports.

Delors drew a parallel between the exchange rate differential between Mercosur member countries and the problems the EEC had to face in the past because some member countries, such as Great Britain and Italy, did not honor their commitments.

Delors referred to the Italian Government's stance and praised the remedial action taken by Prime Minister Julio Amato in monetary and exchange policies.

Asked whether he deemed it possible that an agreement will be reached within the framework of the GATT to reduce farming subsidies, Delors asserted that EEC countries "have made great efforts to reduce and freeze the area devoted to crop farming, and now expect the United States to follow suit." During a news conference given yesterday at the Alvear Palace Hotel, Delors stated that he hoped that the efforts" [quotes as published] made by the EEC in its agricultural policy "redounds to the advantage of poor countries rather than rich ones."

Delors further stated that the EC is following very closely every new development in Latin American integration agreements, such as NAFTA [North America Free Trade Agreement] or the Mercosur and that it is willing to promote integration processes.

Delors also said that "the EC wishes to cooperate with Latin America. EC companies are well aware that the trend is towards a globalization of the economy and they have no intention whatsoever of neglecting this continent."

Delors then broached the subject of trade relations between Argentina and the EEC. He recalled that Argentina's trade balance with the EEC shows an annual surplus of approximately $2 billion, and that such a situation is not duplicated elsewhere in the region.

When asked about the possibility that European companies will invest in Argentina in the near future, Delors answered that that is a distinct possibility. By way of example, he pointed out that 55 percent of the successful bidders in the

public bidding for the privatization of Argentina's state-owned enterprises are European companies.

The news conference given by Delors was one of his last activities in Argentina. He thus wound up his two-day visit to the country, during which he held meetings with government officials, representatives from the opposition, businessmen, and trade union leaders.

## Bolivia

### Foreign Ministry Official Evaluates 'Coca Diplomacy'

*PY1703001193 La Paz LA RAZON in Spanish 25 Feb 93 p A7*

[Text] The Foreign Ministry has commented on what the government calls its "coca diplomacy" which President Jaime Paz Zamora proposed to international forums in 1992. This initiative foresees the lifting of restrictions on legal coca byproducts. Foreign Ministry officials have stated that it is the duty of the next administration to continue this diplomacy if it is to become a reality.

Integration Under Secretary Bernard Inch said: "We see that (coca diplomacy) is an initiative that can only be fully implemented over a 10 year period." He pointed out that it must be considered a "government legacy" from President Paz Zamora because it is not yet being implemented.

He said that "coca diplomacy" is still in the planning stage and its implementation calls for national and international consensus.

Inch said that it is very difficult to lift restrictions on coca and to legalize byproducts like creams, toothpaste, and particularly coca tea which is widely drunk in Bolivia. He added that the only way to do this is by amending the 1961 Vienna Convention on narcotics which advocates the destruction of coca in the countries where it is grown (Colombia, Peru, and Bolivia).

Inch explained, however, that the 1961 Vienna Convention can be amended only when there is consensus and when political conditions for it are favorable at national and international levels.

Inch thus commented on a report recently released by the International Council of Narcotics Control (JIFE) which states that the Bolivian Government policy goes against the regulations and goals of the 1961 Vienna Convention which restricts all growing and use of coca, including the preparation of its byproducts.

Aside from the amendment, which is a legal prerequisite, there is an economic requirement which must also be part of the foreign policy that should be continued by future administrations.

The economic side of the initiative seeks to progress from changing the growing of coca to changing the use of coca.

Inch said that this does not mean that changing the use of coca is contrary to the substitution of growing coca because the country has commitments in this regard and must fulfill them. He added: "Changes in the use of coca will only be feasible if there is control and a reduction of coca production in all coca-producing countries." He indicated that while there is still a demand for illegal coca, the substitution of coca production "still has a future."

Inch said: "The substitution of coca production does not mean coca will disappear completely, because that would be inadmissible to Bolivians." Inch pointed out that changing the production of coca is complementary to the strategy of changing the use of coca.

Amending the 1961 Vienna Convention would involve consultations between Bolivia and other countries that agree with this initiative.

Inch stated that strategy is circular: Bolivia must first obtain the agreement of the Andean countries that produce coca (Peru, Colombia and Peru [as published]) and later the agreement of other Latin American countries. An amendment proposal with the support of all the countries of the continent would then be submitted to the Vienna Convention.

Inch added: "Once that procedure is completed, an effort would be made among Third World countries, multilaterally, to obtain their support for the amendment."

If resounding international support is obtained, Inch said that the United Nations could call its Economic and Social Council to consider the petition of the countries that support that strategy.

He said that the amendment would then be debated and the restrictions on coca lifted.

Inch added: "The multilateral policy will be aggressive, linking Andean, Latin American, and developing countries. Multilateralism will be used."

The current situation is reflected in the latest report released by the JIFE, which reminds Bolivia that its campaign to reduce the controls on coca and its by products is contrary to the regulations and goals of the 1961 Vienna Convention, according to an unofficial translation obtained by this daily.

Even though the JIFE admits that similar campaigns on a lesser scale were conducted by Peru, it believes that other coca producers in the region do not support loosening the control established by the 1961 Vienna Convention.

The JIFE states that without radical reforms to the 1961 Vienna Convention and the international community, the controls on coca imports other than for medical or scientific purpose could prompt an embargo.

The report says: "The JIFE seeks to ensure that the approved regulations are effectively enforced by all parties. To that end, the JIFE has contacted all governments, including the two referred in this case (Bolivia and Peru), and has repeatedly cited the regulations established by the 1961 Vienna Convention on coca."

## Coca Growers Downplay U.S. Aid Reduction

*PY1603220393 La Paz PRESENCIA in Spanish 21 Feb 93 Section 2 p 5*

[Text] Cochabamba, 20 Feb (PRESENCIA)—The announced reduction of U.S. aid to Bolivia does not affect coca growers, because the fund designed to implement the alternative development projects has not been used to meet this objective.

This announcement was made by Evo Morales Ayma, executive secretary of the Special Federation of Region Peasant Workers. He made it clear that "the money obtained from European countries through the United Nations" has been earmarked "to make the few things" for developing the tropical zone.

He said: "This fund reduction does not affect us at all because we do not receive that money." He added that the region's peasant workers are unaware of the use of the U.S. funds. He stated: "I do not know what the money is used for. Nobody is building anything, nor is anyone promoting an alternative development program. We do not know the whereabouts of that fund."

Morales said the United States only supports interdiction, and coca reduction, and that "consequently Umopar [Mobile Police Unit for Rural Areas] personnel will surely be affected by this aid cut. I believe this is not merely a threat. I hope this aid cut will force DEA agents and U.S. military to leave."

Morales stated that the U.S. funds "have never benefited the country and even less so the peasants," because they are only used to create economic dependence, to establish the condition for governments "to turn them into servants," and to rule as "if Bolivia were its ranch."

He said: "We peasants have not needed the U.S. assistance to achieve tasks." He noted that in the past checkpoints generated resources that were allocated to implement projects, including road construction, and potable water systems "which are still being used."

Morales reaffirmed that the U.S. fund is used to "pay salaries to the bureaucracy," and to finance the activities of the DEA and the U.S. military who mistreat peasants with the support of Umopar personnel.

He reported that peasants from the Bolivar and the Samuzabeth labor federations were "fiercely attacked," that Umopar agents stole clothes, money, and other goods, and that those affiliated to the Tacopaya labor union were tortured and beaten.

## Official Denies U.S. Embassy Charges on Coca Plantations

*PY1603215993 Cochabamba LOS TIEMPOS in Spanish 5 Mar 93 p B3*

[Text] La Paz, 4 Mar (ANF)—There are only 29,000 hectares of illegal coca plantations in Bolivia, almost 60 percent of the original area having been destroyed over the past seven years.

This information was released by Alternative Development Under Secretary Francisco Zannier, who denied U.S. Government charges that there are new plantations. He assured that coca has not been replanted in any region of Bolivia. He invited the U.S. Embassy to conduct a joint survey of the existing coca plantations to have single official figure.

When the voluntary eradication programs began in 1987 there were 50,000 hectares of illegal plantations and now there are only 29,000. The Alternative Development Under Secretariat announced that 17,000 hectares of coca plantations had been destroyed by August 1992—the total coca area in that month standing at 35,000 hectares.

According to official figures another 6,000 hectares were destroyed between September 1992 and February 1993, thus lowering the total to 29,000 hectares.

## Minister on 'Simplistic' Appraisal of Drug Enforcement

*PY1603164393 La Paz LA RAZON in Spanish 25 Feb 93 p A3*

[Text] Reacting to the "simplistic" assessments of drug enforcement made by international experts, Interior Minister Carlos Saavedra yesterday stressed that drug enforcement in Bolivia has not failed, although it did fail in the United States.

In remarks to LA RAZON Saavedra stressed: "The fact that drug enforcement in the United States has failed does not mean that it has also failed in Bolivia."

Peter Harkim, director of a U.S. organization that has great influence in the Bill Clinton administration, recently stressed that drug enforcement has "failed miserably."

According to Harkim "the efforts made in Colombia, Peru, and Bolivia have not had any impact in the United States."

U.S. Congressman Lee Hamilton has predicted that drug enforcement abroad "will never be successful."

### I Do Not See Any Relationship

Bolivian Minister Carlos Saavedra, however, deplored the existence of a "certain trend" linking the failure of U.S. drug enforcement efforts to a probable inappropriate strategy in Bolivia.

Saavedra stressed: "There is no direct link between events in the United States and drug enforcement activities in Peru, Colombia, and Bolivia. If they (the North

Americans) describe it as a failure, I presume they are basically saying this because the demand in that country has not declined." Saavedra's remark agrees with international reports, which even talk about an increase in drug consumption.

**Drugs Received From Many Countries**

The minister thus pointed out that Bolivia is not responsible for drug demand in the United States. Saavedra voiced this viewpoint based on two criteria: First, the Andean countries are not the only ones supplying narcotics to the United States; and second, Bolivia has successfully fought against this malady.

Saavedra stressed: "They do of course receive cocaine from Colombia, Peru, and Bolivia, but they also receive other drugs, especially from southeast Asia. This problem in the United States is therefore very complex, with a demand involving several million people and many tonnes of consumption."

**Bolivia: 50 Percent Reduction**

Although there are few official data on drug trafficking, Minister Saavedra stressed that during President Jaime Paz Zamora's administration this malady has been reduced by more than 50 percent.

Saavedra stressed: "Drug enforcement has not failed, although the drug trade has not been wiped out. To claim to be able to wipe it out in four years would be a delusion."

In support of this remark, Saavedra recalled that illegal coca production had been reduced by 50 percent, that international drug rings had been broken up, that huge cocaine laboratories had been destroyed, and that narcoterrorism had been thwarted.

Saavedra said: "We are one of the countries where fewer drugs are being produced."

**Not All In The Same Bag**

Disagreeing with the stance of international experts, Saavedra said: "Certainly the Bolivian case is different. If we were to conduct a very objective analysis, one not based on claims by other countries, I would say we were very successful."

According to the minister, these "influential characters" make the mistake of linking drug enforcement in Bolivia with events in other countries, especially in the United States.

In conclusion, the minister said: "Efforts by experts to put all of us Andean countries in the same bag represent a simplistic approach, a lack of information, or maybe a convenience. The Bolivian case is different."

## Brazil

### Franco 'Conciliatory' Position Toward Military Noted

*PY1503155493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Mar 93 p 6*

[Article by Gabriel Nogueira]

[Text] Rio—President Itamar Franco has told the presidents of the Military Club, the Naval Club, and the Air Force Club that he has given the green light to reactivation of the AMX plane project by Embraer [Brazilian Aeronautics Company] and to the purchase of three U.S.-made corvettes for the Navy and materiel for the Army. In addition, he promised that the purchasing power of military sector salaries would be recovered. The military leaders took to President Franco a document warning him about the risks of indiscipline at barracks because of low salaries and extremely bad working conditions. Military Club President General Nilton Cerqueira reported this news yesterday, one day after the possibility of an institutional crisis and of political instability in the country was discussed at a special assembly of members of the military sector.

The military officers decided to hold a permanent assembly until their demands are met. The list of demands emphasizes the Armed Forces' operational difficulties in complying with their duties, a fact that "endangers the democratic process." The meeting with President Franco, which was held in Brasilia on 8 March, calmed down the most vehement of the officers attending the assembly.

Franco's conciliatory position in face of the military personnel's dissatisfaction pleased even the most conservative military officers, such as General Euclydes Figueiredo, former commander of the War College. In his opinion, President Franco deserves a vote of confidence.

### Franco Confirms New Central Bank President

*PY1503190093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Mar 93 Economy Section p 3*

[Article by Ribamar Oliveira and Marta Salomon]

[Excerpt] Brasilia—President Itamar Franco last night confirmed the appointment of Paulo Cesar Ximenes as president of the Central Bank. The appointment was endorsed by Franco and government leaders in Congress during a meeting held on 8 March at Planalto Palace. Wando Borges was confirmed as the executive secretary of the Finance Ministry.

The government has decided to maintain Pedro Malan as the Brazilian foreign debt negotiator. [passage omitted]

## Poll Reveals Decrease in Franco's Popularity

*PY1603222993*

[Editorial Report] Sao Paulo FOLHA DE SAO PAULO in Portuguese on 7 March on page 10 of Section 1 carries a 500-word article by Josias de Souza on a Datafolha National opinion poll that shows that "since inflation has been around 30 percent, President Itamar Franco has lost popularity."

The article says that the poll, conducted nationwide just two days after Finance Minister Haddad's dismissal, shows that Haddad was not the only victim of the most serious crisis registered during the five months of Franco's term in office. Franco's prestige on the streets has also deteriorated harshly.

The poll shows that one month ago, 36 percent of Brazilians approved of Franco's performance. This rate dropped by 12 percent. Consequently, one out of four Brazilians (24 percent) describes Franco's government as good or excellent.

The article says that "most Brazilians (51 percent) think that the Franco government's performance is barely fair. This percentage stood at 44 percent a month ago."

The article adds that 24 percent—16 points more than a month ago—of those polled describe Franco's government as bad or very bad in the southern states, while the approval rate dropped from 30 percent to 18 percent in southern states. In southeastern states, 25 percent of those surveyed called his administration good or excellent and 18 percent bad or very bad. In the north and center-west states, the government's popularity dropped from 43 percent to 28 percent. In the northeastern states 28 percent, that is, eight points less than in the previous poll, approve of his administration, and 15 percent, 8 percent more than 30 days ago, disapprove of it.

## Article Views Development of Franco's Ideas

*PY1603142593 Sao Paulo ISTOE in Portuguese 10 Mar 93 p 23*

[Article by Sylvio Costa]

[Text] When on 4 March the government of President Itamar Franco announced the decision to reduce the price of kitchen gas for low-income families, the president was complying with an old demand proposed by Senator Itamar Franco. While in the Senate and engaged in reducing the cost of living for wage earners, Franco submitted a draft bill in 1989 forbidding increases beyond the rate of inflation in the prices of gas, light, water, and all other public utility rates. Now, as president, he has authorized a discount of up to 4 percent of the minimum salary (68,700 cruzeiros) per tank of gas for families that consume up to 60 kilowatt-hours per month.

During his almost 16 years of working in Congress, between 1975 and 1990, he anticipated most of the concerns he is now expressing as Collor's successor. Many of the senator's ideas have already been turned into actions by the president. One example is the reduction in interest rates, proposed when Franco was not yet definitely sitting in Collor's chair. The war against pharmaceutical laboratories unleashed by the president, and which so far has yielded nothing, is another point that agrees with what he preached while a senator.

From more than 100 speeches selected and studied by ISTOE, Franco emerges as a bitter pill for neoliberals or old-style liberals. An interventionist, he not only vigorously defended the strong presence of the state in the economy, but he also presented several draft bills to that end. Moreover, most of them are based on price controls. Had things depended on Senator Franco, controls would have been established on medicines, public utility rates, and rents, not to mention interest rates, which would have been put into the straitjacket of the usury law, a name given to the obsolete Decree No. 22,626, which the Supreme Federal Court considers revoked, since 1964, by the law on bank reform.

A nationalist, the senator used to furiously attack foreign creditors and international financial institutions. On 9 August 1983 he went so far as to submit a draft decree to the legislative branch through which a 48-hour deadline would be given to Brazil to renounce the agreement creating the IMF and sever relations with it, because for him it is a mere vehicle for the interests—which are always "harmful to national sovereignty"—of developed nations, and especially of the United States. Here, obviously, time has managed to update his ideas. The president of today supports the efforts of the economic team to reach an understanding with the IMF.

Not even the Steel Railways, a creation of his newest Finance Minister Eliseu Resende while he was transport minister for then President Joao Figueiredo, was spared his criticism. A declared adversary of technocracy, he has often accused the Central Bank of being at the service of bankers. In that area, however, the Itamar of today has not always agreed with Senator Itamar. While in Congress he submitted a draft bill creating rigid guidelines for the nomination of Central Bank directors. Once in Planalto Palace, and determined to force Minister Paulo Haddad's departure to assume full control of the Central Bank, he did not hesitate to make political appointments at the Central Bank.

There are divided opinions on Franco's ideas. One of his ministers said, rather ironically: "When we were younger we all used to read the same books, but then we shelved our old ideas, while Itamar did not." Deputy Paulo Delgado (PT-MG) [Workers Party, Minas Gerais state] is more obliging. "Itamar is a progressive politician of the center-left who has brought from the PTB [Brazilian Labor Party] an interest in social issues, while bringing from the UDN [National Democratic Union] his concern over principles," he said. The following are some of the ideas of Franco as a senator. These ideas are very close to certain concepts expressed by President Itamar.

Businessmen: "Our business leaders, instead of promoting the growth of the economy and discussing sales in general, prefer or would rather hold on to their own gains, as evidenced by high profit margins per product unit and by the fiscal benefits about which they complain so much." (4 May 1989)

Economic intervention: "Obviously, in a market economy no one would restrict his profits spontaneously. Only the government can concentrate the force and competence to implement such measures." (21 June 1983)

Steel Railways: "We have opposed the Steel Railways from the very beginning, especially the way it was announced and the way it was planned, if we can call that engineering project planning." (5 August 1985)

Foreign capital: "It has been said that foreign capital is the cuckoo that lays eggs in the nests built by others; that is, that it always tries to benefit from the initial efforts of the country in which it settles. If this is not entirely true, it is at least partially true." (30 October 1979)

Foreign debt: "The clauses and conditions specified (in credit contracts with foreign private banks) are more like colonial statutes." (9 August 1983)

Poverty: "Only in a world in which political shortsightedness and social insensibility can be conceived of as divided into two blocks, whose dominating mechanisms seem to converge in typical models of exploitation, can the polarization between the nourished and the hungry, the rich and the poor, the developed and the disinherited be unquestioned." (9 September 1975)

State companies: "We agreed to talk about the so-called nationalization of the Brazilian economy, even knowing that powerful groups will from one moment to the next unleash their criticisms. We can defend ourselves against a report by IPEA [Applied Economic- Social Research Institute]. A total of 318 companies were selected, the 10 largest in each area, corresponding to 42 percent of our production, while government companies represented only 2.5 percent. The public sector companies represent such a minimal part of the total that we must ask: Why so much concern?" (9 June 1976)

## Poll: Majority Supports Presidentialist System

*PY1603203793 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Mar 93 Section 1 p 13*

[All figures as published]

[Editorial Report] Sao Paulo FOLHA DE SAO PAULO on 7 March publishes on page 13 a 400-word unattributed report on the results of a poll conducted by DataFolha on the upcoming national plebiscite being held to determine the Brazilian system of government. The report notes that while only a month ago presidentialism and parliamentarism were in a dead heat, today 52 percent of those interviewed support presidentialism, 26 percent a parliamentary system of government, and 17 percent a monarchy, while 19 percent remain undecided. The report adds that 51 percent of those interviewed have little desire to participate in the plebiscite and will only do so because voting is mandatory.

## Article Views 'Dismantling' of 'Palace Group'

*PY1603204493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Mar 93 Section 1 p 7*

[Article by Luiz Antonio Novaes and Tales Faria from Brasilia]

[Text] Paulo Haddad's fall was the factor that unleashed the dismantling of the so-called palace group. Since the former minister's fall, the four main members of the palace group—Jose de Castro, Mauricio Correa, Henrique Hargreaves, and Mauro Durante—have been disagreeing. Exposure to the media has finally overcome their loyalty to Itamar Franco. Charges and criticism now arise everywhere.

The previous polarization between the members of the "palace group" and the "politicians' group" has been replaced by an ideological confrontation: Now it is "left" against "right."

Justice Minister Mauricio Correa spent the week staging in the wings a silent war against Civil Household Chief Henrique Hargreaves, seeking to become the government political coordinator. In view of his ideological "affinity," he has become closer to Roberto Freire (People's Socialist Party) and Pedro Simon (Brazilian Democratic Movement Party), Itamar Franco's leaders in the Chamber of Deputies and the Senate, respectively.

The rapprochement was accepted and celebrated by the left: "Mauricio Correa asked to participate in the political coordination, and I believe his participation is a good idea," Freire said. The new pact was sealed with Pedro Simon on 10 March.

With a foot in Congress and his mouth close to Franco's ears, Correa began to recover a role that has traditionally been the justice minister's, making a powerful alliance to ensure that the left obtains more second-echelon positions, which are zealously kept in Hargreaves' computer terminal.

The new confrontation, which is now focused between the "left" and the "right," was made clear by the contacts (Finance Minister) Eliseu Resende, (Industry, Trade and Tourism Minister) Jose Eduardo Andrade Vieira, and Senator Albano Franco (National Reconstruction Party—Sergipe) made to eliminate the Provisional Tax on Financial Operations from the fiscal reform bill a few days before 10 March, when the bill was being voted on. The contacts did not yield positive results because Roberto Freire threatened to leave his position as government leader in the Chamber. Resende, however, became Hargreaves' hope for a new and strong alliance with the right.

Among his opponents, the civil household chief is known as a "radical rightist." The "mathematical formula" he

promises to use to distribute the second-echelon positions has become reason for banter among the ministers. They always refer to it as "second-echelon bingo."

Hargreaves has another bitter difficulty: How can he reapproach the former governmental "right wing," although he is deemed one of its main members? Regional Development Minister Alexandre Costa considers him responsible for the booing he received in Macapa 10 days ago. "If you had answered my phone calls, none of that would have happened. Whenever I call you it is to discuss serious matters. I do not call you to invite you to dance," Costa said during the cabinet meeting held on 9 March, when Mauricio Correa first acted as political coordinator, although the meeting was held at Hargreaves' office.

Until then, Counsel General Jose de Castro Ferreira had been the most powerful member of the "Juiz de Fora Group," but he fell from grace among his former allies. The reason: fear of being contaminated by the charges of irregularities that on 12 March overthrew his right-hand aide, Consultant General Raymundo Nonato Noronha. Itamar Franco dismissed Noronha despite Castro's week-long resistence to the dismissal.

In the middle of the disputes, Presidency Secretary General Mario Durante is the only one remaining in the place he has always been: stuck close to Itamar Franco. It was Durante's idea to ask Franco to request that Raymundo Noronha clarify the charges published against him by the press.

## Finance Minister Views Administration, Issues

*PY1503231793 Sao Paulo ISTOE SENHOR in Portuguese 10 Mar 93 Pp 24, 25*

[Interview with Finance Minister Eliseu Resende by unidentified ISTOE reporter on 4 March; place not given]

[Text] [ISTOE] You have been installed as head of the most important Brazilian ministry amid a governmental crisis. Your predecessor clashed with President Itamar Franco and had to leave the ministry. What will be the difference between Paulo Haddad's and your administration?

[Resende] We are not bothered about identifying differences between this and that minister. The government is still the Itamar Franco government. The president always dictated the guidelines and established the policies to be implemented during his administration and will continue to do so.

[ISTOE] What guidance was given to you before being appointed finance minister? What tasks did the president entrust to you?

[Resende] We will consolidate what was being done at the Finance Ministry and hand it all to the president of the Republic so that he, as the president, can establish a program for the rest of his period in office. He wants a program oriented toward solving the basic economic problems but, at the same time, this program must solve our social difficulties. President Franco is very sensitive to social problems.

[ISTOE] Former Finance Minister Paulo Haddad drafted in December a government program with short-, medium-, and long-term goals. This program was discussed with President Franco, who approved it and then reported on it to the nation during his installment speech on 29 December. Is this program still in force?

[Resende] The president of the Republic is still the same. He dictates the rules. He establishes the guidelines and policies. The president's ideas will not change. Within his line of thinking, we will draft our agenda, our program of action at the Finance Ministry. We will do it in accordance with the president's feelings and with what he believes is best for the country.

[ISTOE] Your predecessor advanced a lot in drafting a program to stabilize the economy in the short-term. This program contemplated measures for the monetary area, the establishment of legal instruments to fight high prices, and the rescheduling of the public debt deadlines. All these measures sought to control inflation and prepare the economy for the resumption of economic growth. Do you plan to use these instruments?

[Resende] We are getting acquainted with these studies. We are learning about all these programs, plans, and studies that were being drafted and implemented here. We are learning about what was being done in this administration, as well as in previous ones, to be able to draft a program for Itamar Franco.

[ISTOE] In the programs you are mentioning, will prices be controlled, even if this control is selective or limited?

[Resende] These are hypotheses. Theoretically, however, I am against this.

[ISTOE] How do you plan to resume economic growth?

[Resende] The resumption of growth cannot be ensured without economic stability. The government, however, is not responsible for investments that result from the resumption of economic growth. Economic growth is the result of the resumption of economic activities by the private sector. It is the result of the motivation of entrepreneurs. This motivation, however, will only exist when there is security and tranquillity.

[ISTOE] How can you reduce inflation in a short period?

[Resende] Inflation is not fought with artificial solutions like heterodox shocks or price freezes. You must have put that question to many economists and finance ministers. How can you reduce inflation in a short period? The president has not given me any deadline. We are making a diagnosis. We are analyzing the agents that act in formation of that economic-financial system. There are many factors. We have factors like recession, unemployment, the foreign debt, internal debt, and inflation.

The balance of that system must be preserved. Our program seeks to create that balance.

[ISTOE] Since the period he has been performing as interim president, Franco has insisted on reducing interest rates. How can you reduce interest rates?

[Resende] President Franco has not given me any special orders. The interest rate problem, like any other specific agents that interact in the economy, cannot be established separately. There is a very great inter-relationship among all factors. The problem is not just to reduce interest rates. It is not just what move will produce this or that effect. There is also a public deficit problem and a budget balance problem. There is a problem of associating budget programming with the funds which are actually available. There is also the surplus issue which we have to create to calm the balance of payments problem. And especially, there is a very important problem related to a theory which appears very simple but is very difficult to implement in Brazil: That the government spends only what it receives.

[ISTOE] An IMF technical mission is now in Brazil. Sources close to Planalto Palace have criticized former Minister Haddad for negotiating with the IMF in the same manner as former Minister Marcilio Marques Moreira during the Collor government. Will you review the negotiation guidelines?

[Resende] Nothing has been discontinued. A change of minister does not affect the negotiations. It is clear, however, that some scenarios are being studied, and that such scenarios are always changing. We want to make sure that things are not approved for the benefit of the IMF, we want things approved for the benefit of the Itamar Franco government, and we hope to obtain IMF endorsement. It is important for Brazil to show the financial community that it is prepared to fulfill its commitments and to be reinstated in the international financial market.

[ISTOE] The outcome of the crisis that caused the resignation of Minister Paulo Haddad was the nomination of the new Central Bank board. The former minister did not agree with the political guidelines that prompted the nomination of the new board members. Do you think that in an organization as sensitive as the Central Bank the political factor should override the technical factor?

[Resende] I want to say one thing: I am also a politician. Therefore, I am not surprised over that remark. Why are those who carry out political activities incompetent at executive posts? Why can't they be competent, responsible, and professional technicians? In my case, for instance, I am the finance minister. But I already engaged in technical roles and carried out political activities. I think the fact that we have public administrators who also conduct political activities is very good.

[ISTOE] Over the past few days you have referred to the "genetic engineering of numbers that are used to calculate inflation." What does that really mean?

[Resende] It means placing the finger on the wound. It means establishing the what numbers influence inflation, and thus better understand it.

## Finance Minister's Performance Viewed

*PY1603010893*

[Editorial Report] Sao Paulo ISTOE in Portuguese on 10 March carries on pages 26 and 27 an unattributed report providing biographic information on Brazilian Finance Minister Eliseu Resende.

The report says that "during the 15 years he has held public posts, Resende built more than 35,000 km of highways, railways, and bridges, including major failures like the Trans-Amazon highway." The report says that Resende was "director general of the National Highway Department between 1967 and 1973," that he was "transport minister between 1979 and 1982," and that "from 1983 to 1990 he was linked with the Odebrecht Construction Company, as a member of the company's consultative council."

The report says that Resende is "the son of a humble photographer" and that he received "a Phd from New York University." The report adds that Resende is "proficient in mathematics," that he "speaks fluent English, French, and German," and that he "loves receiving neckties as presents."

The report says that Resende's "only political experience came in 1982, when he ran for the governorship of Minas Gerais and lost to Tancredo Neves." The report adds that Resende's approach to Itamar Franco "began in 1984, during Tancredo Neves' presidential campaign," and that in 1986 Resende "was the informal treasurer of Franco's campaign" for the governorship of Minas Gerais.

While heading the National Highway Department in 1975, "the National Accounting Office imposed a fine of 10 minimum salaries on Resende," after discovering "contractual addenda that increased the price of contracted work by up 6,000 percent." The report adds that in June 1991, when Resende headed Furnas Electric Power Plants, Inc., "the National Accounting Office discovered that the company had overpaid 34 million cruzeiros to its council members." The report says that "in April 1992, a call for offers for construction of 329 km of electric power transmission lines in southern Brazil was canceled after the newspaper FOLHA DE SAO PAULO reported overpricing in the offers."

The report notes that on 24 February 1993, the transport minister opened an exhibit "on the squandering of public funds in incomplete projects," in which Resende played a major role in "at least five of the 18 projects" that were presented in the exhibit.

### Police Seek Radioactive Capsule Stolen With Car

*PY1503201093 Rio de Janeiro O GLOBO in Portuguese 12 Mar 93 p 7*

[Excerpt] Sao Paulo—Sao Paulo Civilian and Military Police units were ordered yesterday to find an industrial irradiator, a radioactive source. The irradiator was stolen with a car belonging to the S.G.S. of Brazil company in the town of Ferraz Vasconcelos, in the eastern region of greater Sao Paulo. The irradiator, which is used to X-ray industrial parts like pipes and boilers, contains a small iridium-192 cylinder. This cylinder could cause serious health damage if handled. [passage omitted]

### Sao Paulo Metalworkers Union Elects President

*PY1603152893 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Mar 93 Section 1 p 1*

[Text] Luiz Antonio de Medeiros was elected president of the Sao Paulo Metalworkers Union, the major Latin American labor union, on 12 March. This Union Force [FC] ticket obtained 65,420 votes, or 86 percent of the valid votes. The CUT [United Federation of Workers] received 5,946 votes, while the CGT obtained [Central Federation of Workers] 2,819 votes. Medeiros said: "This was a greater victory than what we were expecting. This labor union is now an invincible FC power." Medeiros will be the president of the Metalworkers Union for the third consecutive time.

### Production of CFCs-Replacing Gas Noted

*PY1703024793 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Mar 93 Economic Section p 1*

[Article by Jose Roberto Campos]

[Excerpt] Brazil this year will no longer appear on the ecological map as a place where environmental devastation reaches alarming levels. Since January the country has been home to the first factory in the world of the German Hoechst group to produce, on an industrial scale, a gas that replaces CFCs (chlorofluorocarbons), the substance that is highly destructive to the ozone layer.

Some 700 metric tons of Reclin 134-A, a commercial name for hydrofluorocarbon, will come out this year from the Hoechst unit in Suzano (SP) [Sao Paulo], the only unit existing in the southern hemisphere, to supply the German market. [passage omitted]

### Creditor Banks Accept Foreign Debt Renegotiation

*PY1703003093 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 16 Mar 93*

[Text] The creditor banks have accepted the conditions submitted by Brazil for the renegotiation of the Brazilian foreign debt. One objective of the Brazilian foreign debt renegotiation program was achieved today with the adherence of more than 800 international private banks to that program. This was reported by Finance Minister Eliseu Resende who released a joint communique signed by the Brazilian Government and the committee of creditor banks. The minister stated that the renegotiated debt totals 44 billion dollars. The creditor banks were offered six options from which to choose. The Brazilian Government will now study the chosen options.

[Begin Resende recording] The next step is to choose the best options for Brazil, to choose from among the options submitted to Congress, and thus finally achieve an agreement on the Brazilian foreign debt which will be signed within the next few months. [end recording]

The finance minister also reported that tomorrow he will meet with leaders of the political parties that support the government in Congress to discuss the draft bill that regulates payment of the IPMF, Provisional Tax on Financial Operations. Resende added that details of the project are ready and that it will be submitted to all financial organizations in the country.

The minister expects to submit the project for the consideration of the national Congress by next week so that the new tax will be in effect by July at the latest.

### Records on Missing Citizens Requested From Paraguay

*PY1603020893 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Mar 93*

[Text] Deputy Antonio Marangon, chairman of the Rio Grande do Sul Legislative Assembly Human Rights Commission, has asked the Government of Paraguay to release the archives in which 20 Brazilian citizens are reportedly registered. These citizens have been missing since the dictatorial regime.

Marangon has said he found documents in Asuncion proving Brazil's participation in the so-called Condor operation. According to Marangon, the operation worked as some sort of agreement among South American countries, giving rights to persecute and murder citizens considered subversive by dictatorial regimes of the continent.

### Russian Aerospace Delegation To Visit, Sign Agreement

*PY1603000393 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Mar 93*

[Text] A Russian delegation is expected to arrive in Brazil on 24 April to sign an aerospace agreement. The Russian delegation is expected to sign an agreement that will increase trade between the two countries. Trade between Brazil and Russia was established 32 years ago and since then has been fulfilled and expanded.

The delegation comprises 22 people. It will arrive in Rio de Janeiro on 24 March. They will immediately leave for Brasilia, the federal capital, where they already have scheduled meetings with the foreign minister, the science and

technology minister, and the industry and commerce minister, in addition to the Armed Forces chief of staff.

The most advanced understandings between Brazil and Russia are in the aerospace area. Since October 1992 Brazil has been negotiating the purchase of missile manufacturing technology.

## Chile

### Government Considering Reduction of Presidential Term

*PY1703021293 Santiago LA TERCERA DE LA HORA in Spanish 24 Feb 93 p 7*

[Excerpt] The government is studying the possibility of submitting a constitutional amendment project to reduce the presidential term from eight to four years, without the option of re-election. It is also studying proposals for a five-year term, with or without the option of re-election, or to return to the old six-year term. Either way, the general principle is that eight years, as established by the Constitution, is too long and is not in the best interests of the country. The idea is to submit the constitutional amendment proposal to Congress without delay. Talks between representatives of the government and the opposition will end by next week.

This report was released by Government Secretary General Enrique Correa who referred to the activities of the president and his main aides for the next few weeks. [passage omitted]

### Navy Captain Charged With Revealing Military Secrets

*PY1703011393 Santiago Radio Cooperativa Network in Spanish 2300 GMT 16 Mar 93*

[Report by Gerardo Alvarez from Punta Arenas]

[Text] Retired Captain Humberto Palamara has been held at the Cochrane Marine detachment headquarters since 1000 today. Palamara wrote the book "Ethics and Intelligence Services," which was seized on 1 February by order of the Magallanes naval prosecutor.

Palamara was arrested in his home by investigations police personnel, in compliance with an order issued by the regional naval tribunal. This information was released by Palamara's wife (Ann Stewart).

A communique released this afternoon by the public relations office of the Third Naval Zone states that on 16 March, the Magallanes acting naval prosecutor personally notified contracted civilian employee Humberto Palamara of a resolution issued by the Magallanes naval court. The resolution orders the prosecution of Palamara on charges of failure to fulfill military duties and disobedience, which are classified and sanctioned by the military justice code.

The communique adds that Palamara was notified that he was under preventive arrest, which he will serve in naval facilities, as is set forth in Article 137 of the military justice code.

The communique states that civil employee Palamara appealed the resolution.

The case is in a pretrial stage, and the investigation continues.

Palamara's lawyer Javier Solis said that the court arrest warrant mentions disobedience charges. He said this charge has nothing to do with the first charge pressed against his client, which was allegedly revealing military secrets in his book.

Palamara's wife (Ann Stewart) filed a request for a court injunction that the Punta Arenas Appellate Court is studying. The request aims at restoring Palamara's ownership of the seized books.

Solis said that the arrest order was excessive, adding that the measure reflected excessive zeal and a strategy by the naval courts to change the terms of the allegation that will be presented tomorrow at the Punta Arenas Appellate Court.

### Cival, Military Plane Production Noted

*PY1703021493 Santiago Radio Cooperativa Network in Spanish 2300 GMT 16 Mar 93*

[Text] At least two Latin American countries may be interested in buying the turbo Pillan plane, a new version of the Pillan military trainer, from Enaer [National Aeronautical Enterprise].

Enaer, which is nine years old, is working on four major plane production programs. The Namcu, a sports civil plane designed and produced in Chile; the Pillan and turbo Pillan, both military trainers; and the C-101 fighter, a tactical training plane that was bought from Spain on the condition that it would be jointly developed in Chile.

Enaer is also working in two modernization programs: the Pantera project to upgrade Mirages, and the Tigre project to upgrade F-5's.

General Caupolican Boisset, retired, the Enaer executive director, said that Enaer was created through a law on 16 March 1984. It is a state enterprise with autonomous management. Enaer is part of the Air Force.

The Enaer executive board is presided over by the Air Force commander in chief. The law states that the board must comprise three active service Chilean Air Force generals and a representative of the president. The president's representative is Aviation Under Secretary Mario Fernandez.

Enaer is linked to the government through the Defense Ministry.

Boisset explained that Enaer concentrates on designing and producing planes, upgrading planes and equipment, and flight and maintenance equipment training.

A subsidiary enterprise takes care of electronic development. Enaer owns 50 percent of this enterprise, while Israel's Elta owns the other 50 percent.

This condition guarantees, among other things, state ownership of Enaer. Gen. Boisset said that because Enaer is part of the Air Force, it cannot be privatized.

### Acting Finance Minister on Free Trade Treaty

*PY1703003293 Santiago HOY in Spanish 22 Feb 93 pp 20-24*

[Interview with acting Finance Minister Jorge Rodriguez Grossi by "M.G." "last week"—place not given]

[Excerpt] [passage omitted] [M.G.] What is expected from the Free Trade Treaty with the United States this year?

[Rodriguez] We hope that the fast treatment, the fast track [preceding two words in English], will be extended beyond the deadline so that we may join that system as a country.

[M.G.] But the deadline ends in May.

[Rodriguez] Yes, and there are expectations that the Clinton government will ask for an extension.

[M.G.] Expectations or hopes?

[Rodriguez] The government has a team in the Foreign Ministry that concentrates on this; in the United States there is a group of people working with congressmen, before and now; therefore, the contacts are fluid. We have received very good signs from the Clinton government of a willingness to accelerate, at least the formal parts, this agreement with Chile.

[M.G.] When will the fast track issue be known?

[Rodriguez] The U.S. policy has its own forms. I do not want to anticipate any date. It is the U.S. Government that must give the first sign.

[M.G.] We are running a high risk, considering Clinton's agenda.

[Rodriguez] Of course. It was known that any U.S. Government was going to have many demands concerning domestic issues. The problem was not only with the president but with the new Congress. The new congressmen have their leit motiv [preceding two words in French] concerning internal problems.

[M.G.] Is there any possibility for this government to end its term without progress?

[Rodriguez] There will be progress. We have a year and some days. Perhaps it will be in a different manner, but we are going to make progress.

### Argentine Government Said 'Satisfied' Over Army Explanation

*PY1703012993 Santiago EL MERCURIO in Spanish 23 Feb 93 pp C1, C4*

[Excerpts] The Argentine Government announced yesterday afternoon that it was satisfied with the Chilean Army note explaining remarks by General Augusto Pinochet on national sovereignty in the southern zone. The note clarifies that he did not refer to the Continental Glaciers zone, over which there is a border dispute.

Argentine Deputy Foreign Minister Fernando Petrella has said that the note sent yesterday to the Argentine Embassy has prevented confusion that could have generated a conflict following press reports datelined Buenos Aires in which Pinochet is quoted as saying that the presence of settlers in that zone strengthens national sovereignty. This provoked an objection by the Argentine Foreign Ministry, arguing that the area is uninhabited.

The Army Communications Department states in its communique that Pinochet, during his visit to the 11th Region, referred only to the settlers in the zone across the southern highway and not to the Continental Glaciers, which is obviously uninhabited. [passage omitted]

The official communique released by the Chilean Army states:

"Following press publications that refer to remarks reportedly made by the Army Commander in the 11th Region, the Communications Department states:

1. During an institutional visit by the Army commander in chief to the 7th Army Division, and while inspecting projects being developed by the military institution in the Lago Vargas area, the Army commander in chief said that the presence of settlers in that zone enhances national sovereignty. He thus referred exclusively to the settlement that has made possible the construction of the southern highway. He was not referring to the Continental Glaciers area, which is uninhabited.

2. Moreover, and complying with journalistic consultations on border conflicts with other countries, the Army commander in chief categorically states that he did not refer to such matters, given that they are under the jurisdiction of the Foreign Ministry." [passage omitted]

### Trade Negotiations With Colombia Resume

*PY1703021693 Santiago Radio Cooperativa Network in Spanish 2300 GMT 16 Mar 93*

[Text] The Governments of Chile and Colombia this week resumed negotiations over a bilateral free trade treaty in Santa Fe de Bogota. Julio de la Fuente, director of the Economic Affairs Department of the Chilean Foreign Ministry, is now in that city.

This information was released by Foreign Ministry sources in Santiago.

The sources added that Chile hopes to agree on the final lists of products that will be included in the treaty exemption lists, and on the gradual reduction of tariffs.

Negotiations are moving forward with remarkable success and expediency, because 95 percent of the text of the treaty has already been agreed upon since negotiations began in September 1992. The treaty includes a tariff reduction timetable.

The two countries hope to reach a zero tariff level within four to six years after signing the treaty, which is being negotiated within the framework of the Latin American Integration Association, LAIA.

Some pending issues remain in the text of the treaty, for example, in connection with maritime and land transportation and with plant health conditions.

Chilean economic authorities have reiterated that a free trade agreement with Colombia will be especially important for Chile, because that nation has a relatively balanced economy, with relatively low subsidies.

The tariff agreement to be reached by the two nations should take into account the levels and the products included in the agreement between Chile and Venezuela, which will be signed on 2 April. Colombia and Venezuela have also signed a free trade agreement.

In 1991, Chilean-Colombian trade reached $213 million, of which Chilean exports accounted for more than $53 million. During the first 10 months of 1992, bilateral trade amounted to $168 million.

## Bolivia's Paz Warned of Chilean 'Double-Talk' Over Agreement

*PY1703005193 Santiago EL MERCURIO in Spanish 20 Feb 93 pp A1, A18*

[Excerpt] The Bolivian National Security Council (Conase) yesterday urged President Jaime Paz Zamora to be careful of Chilean double-talk, just as the two countries are putting the final touches to a commercial supplementation agreement to be signed in April.

Chilean Foreign Minister Enrique Silva Cimma minimized the remark, saying that Chile only cares about the opinion of the majority in that sister republic, ignoring those who look to the past instead of looking to the future of both nations.

The Bolivian Foreign Ministry also downplayed the issue. In a phone conversation with EL MERCURIO, a Bolivian Foreign Ministry spokesman said that Foreign Minister Ronald MacLean has said that no issues involving Bolivia and Chile should be excluded, and even though it will never give up its maritime claims, Bolivia is now working on the bilateral economic supplementation agreement.

The Bolivian Foreign Ministry stated that the remarks by General Rodolfo Angulo, the Conase secretary general, do not reflect the Armed Forces' opinion and much less the council's opinion, because he was merely expressing his own opinion.

In addition to the statement by Angulo, a group in La Paz opposes the agreement. Bolivian industrialists demand openness in the Chilean market as a precondition for supporting the agreement.

The Bolivian Foreign Ministry stated that the strategy adopted by Minister MacLean enjoys the institutional support of the entire nation, adding that there is a broad consensus in Bolivia about Foreign Ministry policy.

Conase is an organ that advises President Paz Zamora on national security matters. It comprises representatives of the Armed Forces, government officials, and Bolivian personalities.

The Bolivian Foreign Ministry explained that Gen. Angulo is not subordinate to military rule, but to that of President Paz Zamora.

Bolivian sources termed "absolutely unnecessary" the remark by Gen. Angulo, adding that such statements have only served to hinder the process of understanding in the politico-economic area.

The sources added that Gen. Angulo disobeyed a specific order that the Bolivian defense minister issued a few days ago. Following the publication of the opinions of some military commanders, the Bolivian defense minister ordered members of the Armed Forces to refrain from airing their opinions on political matters.

The sources interpreted Angulo's remarks as an answer to what General Augusto Pinochet, the Army commander in chief, said in Chile. Asked about a possible reestablishment of diplomatic relations, Pinochet replied that an agreement was reached during his government. "The negative point is that they (the Bolivians) always forget what they have just said." [passage omitted]

## Paraguayan 'Hiding in Chile' Under Condor's 'Second Phase'

*PY1703152593 Santiago Radio Chilena Network in Spanish 1100 GMT 17 Mar 93*

[Text] Socialist legislators have reported that Antonio Campos, the former director of the Paraguayan intelligence service who remains at large, is allegedly hiding in Chile.

Senator Hernan Vodanovic has reported that Campos is allegedly receiving aid within the framework of the so-called Condor solidarity operation. According to Vodanovic, this is a second phase of the operation carried out by the secret services of the Southern Cone countries to fight subversion during the military regimes.

Vodanovic, together with Deputy Jaime Naranjo, disclosed details of their visit to Paraguay where they

obtained documents which, they stated, confirm the existence of a network between the Latin American secret services.

Deputy Naranjo stated that these documents confirm that the Condor operation was launched on 25 November 1965.

[Begin Naranjo recording] We have brought these documents with the authorization of the Paraguayan judge who allowed us to photocopy this information. These documents clearly prove that the Condor operation started on 25 November in Chile. This operation was fully financed by Dina [National Intelligence Directorate] and was the origin of various actions throughout the Southern Cone. [end recording]

Moreover, Isabel Allende, vice president of the Socialist Party, disclosed that Socialist legislators will ask the Chamber of Deputies to set up an investigative committee to investigate what Dina spent and what actions it carried out together with other South American secret services.

### Health Department Releases Red Tide Contamination Levels

*PY1703033493 Santiago EL MERCURIO in Spanish 22 Feb 93 p C5*

[Article by Ivan Martinic]

[Excerpt] Punta Arenas—The Environmental Health Department of the Magellan Health Service has released the contamination levels by red tide detected in bivalve shellfish in the Magellan Strait, which are reaching a concentration of toxin of up to 7,000 micrograms. The maximum permitted for human consumption is 80 micrograms.

It has been reported that almost two years after the emergence of this phenomenon in southern waters, there are no signs of a decrease, which last week prompted the absolute prohibition of taking bivalve shellfish from throughout the Magellan Strait waters.

A strong recession is consequently affecting the regional fishing industry, harming especially fishermen and divers. Due to the special characteristics of the phenomenon, it is rather impossible to predict its future behavior.

Tests conducted on shellfish extracted from different areas in the Magellan Strait show that the most compromised areas are located south of Punta Arenas, the sector of La Discordia, Puerto del Hambre, and in Porvenir, in the island of Tierra del Fuego. [passage omitted]

No fatalities have been recorded for 10 months and illnesses have decreased considerably, but their effects on the regional economy are devastating.

## Colombia

### Leticia Councilmen Protest Presence of U.S. Base

*PA1703033593 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 14 Mar 93 p 8*

[Text] The Leticia, Amazonas, municipal council has filed a strong protest over the installation of a U.S. military base in the city outskirts.

In a letter addressed to Defense Minister Rafael Pardo Rueda, the municipal councilmen asked him to give a suitable explanation for the situation. The councilmen say the existence of the military base has caused the surrounding population several problems, including the interruption of a fish-farming program sponsored by the Institute for Development of Natural Resources in cooperation with IMPA [Institute of Pure and Applied Mathematics] and the National Rehabilitation Plan.

"This situation is causing the area financial losses because the military base stands in the way of the project grounds. The fish-farming facilities have cost over 100 million pesos to build," the councilmen say.

We are concerned, the councilmen say, that most of the public force members in Leticia are protecting the foreign base rather than defending the country's sovereignty and fighting guerrillas.

"The installation of a U.S. military base in the city outskirts clearly violates our sovereignty," the councilmen say. "We will not permit this beautiful region, regarded as an area of peace and work, to be turned into a home for gringos, a place where they come and go as they please."

Headed by Council President Francisco de Paula Benjumea, the municipal councilmen demanded a statement from President Cesar Gaviria on the situation, for which no one seems to have an answer.

The councilmen have asked Attorney General Carlos Gustavo Arrieta, Chamber of Representatives President Tito Rueda, and Senate President Cesar Perez to help clarify this situation, which is affecting the Amazonas residents' economic and social interests.

### India Closes Embassy Due to Economic Problems

*PA1703031293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Mar 93*

[Text] The Indian Embassy in Santa Fe de Bogota was closed down on 16 March due to economic and financial problems in that country. Nevertheless, relations between the two nations will not change and diplomatic affairs will now be handled by the Indian Embassy in Caracas. Only a commercial representation will remain in Santa Fe de Bogota.

During a solemn ceremony Colombian Foreign Minister Noemi Sanin awarded the Order of San Carlos, in the degree of the Great Cross, to Indian Ambassador G.D.

Atuk, who bids farewell to the diplomatic representation in our country after a three-year mission.

### Congress Approves New Military Service Law

*PA1503162593 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 9 Mar 93 p 7a*

[Text] The government has put women on the march. According to Law 48 approved this month, young women can voluntarily join the military, and service will become mandatory when the authorities so decide.

Military service for women will be mandatory when the country's situation calls for such a measure, but they will only be involved in logistic, administrative, social, and cultural support tasks, as well as in defending the environment. "In general, they will be tasked with activities that will contribute to the country's modernization and development." Under no circumstances will they be involved in direct combat."

The new law also establishes a series of prerogatives for those who join military organizations in an effort to promote voluntary enlistment in the public force.

Those who join are entitled to a per diem plus travel expenses to the place where they will be serving and reimbursement for expenses they incur on the trip home, as well for civilian clothing when they are discharged.

During their last month in the service they will receive a bonus equal to one month of the minimum salary in effect.

Time in service will be computed as government time for severance pay purposes if the person joins the civil service after discharge.

Men and women who wish to enter a university will be favored with 10 points in addition to the total number of points the person earned on their Icfes [expansion unknown] exams after high school.

Once they complete their professional career they will be exempted from half their social service time or rural year they are obliged to work before receiving their degree. They will not need to complete entrance exams for state-run training institutions and will receive priority consideration for all types of official loans for higher education.

Among those exempted from military service, in additional to the permanently handicapped, are Indians who live on their territory and who maintain their cultural, social, and economic heritage.

In peacetime there will be no draft for the clergy; for those who have been sentenced and lost their political rights; sole offsprings, male or female, regardless of their parents' marital status; widows; separated or divorced women or single mothers; orphans who are family providers; children of parents who are unable to work; people over 60; the brother or the son of those who were handicapped during military service; and people who live as a married couple.

Peasant soldiers must serve in the area where they live. In all cases the draft period will be between 12 to 24 months.

The draft time in effect prior to 3 March, when this law was decreed, will be maintained: regular soldiers, 18 to 24 months; soldiers with a high school diploma, 12 months; assistant policemen with a high school diploma, 12 months; peasant soldiers, 12 to 18 months.

The draft resolution was widely discussed in Congress, where it was approved during the last sessions of 1992.

### Court Upholds Restrictions on Interviews With Subversives

*PA1503160493 Santa Fe de Bogota EL TIEMPO in Spanish 12 Mar 93 p 8a*

[Excerpt] The Constitutional Court has declared legal a decree in which the Communications Ministry forbids the publication of interviews with guerrillas, terrorists, or drug traffickers.

After studying the executive branch's powers in a state of emergency, the international law mechanisms that address the topic, and the so-called shared responsibility [cohabitacion] of constitutional law, the Court concluded that Decree 1812 of 1992 is completely legal.

Communications Minister William Jaramillo Gomez, who defended the constitutionality of the decree during the proceedings, based his arguments on the following:

—Freedom of expression and thought cannot be exercised to justify illegal activities. This freedom is intended to protect coexistence in a society, public order, health, and morality.

—These freedoms may be restricted to protect other fundamental rights.

The court thus settled the controversy that involved not only the minister but the CMI newscast's legal representative, who shared Jaramillo Gomez' points of view, and EL COLOMBIANO Director Ana Mercedes Gomez de Mora, who said she was dissatisfied with the measure. [passage omitted]

### ELN Group Lists Conditions for Demobilization

*PA1703004293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Mar 93*

[Report by Guillermo Gonzalez]

[Text] Approximately 700 Army of National Liberation, ELN, members have expressed their willingness to demobilize, surrender their weapons, and become a political party. The 19 April Movement [M-19] announced the rebel proposal to establish negotiations with the government a few minutes ago. The ELN's dissident Socialist Renewal Current reports its willingness to surrender its weapons and demobilize under the following conditions:

1. Amnesty and general pardon for its members.
2. Approval of the second Geneva Protocol.
3. Release of prisoners who are Socialist Renewal Current members.
4. Implementation of an adequate and efficient process for the rebels' reentry into civilian life.
5. Reforms to the state of exception bill.
6. The right to occupy seats in public organizations according to the provisional Articles 12 and 13 of the new Constitution.

[Begin M-19 representative Gustavo Petro recording] It seems to me that it is a mature and positive proposal. They are not asking for a revolution through decree. I believe the things they are requesting are totally feasible and desirable for the country. [end recording]

At least 10 percent of the ELN could demobilize and reenter civilian life if the government accepts their conditions.

The government has just announced that it accepts the dissident ELN's proposal if the rebels show their willingness for peace by not carrying out any more kidnappings or extortions.

### ELN Claims Responsibility for Newspaper Director's Murder

*PA1603215393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Mar 93*

[Text] Colombian media received with profound concern the Army of National Liberation [ELN] communique claiming responsibility for the murder of the LA OPINION newspaper director on 12 March. The ELN communique also warns the action should be taken by the media as a red alert and prompt it to rectify its journalism practices in the department.

### Authorities Uncover Plot to Murder Police Commander

*PA1703043993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Mar 93*

[Report by Maribel Osorio in Medellin]

[Text] Three operations by authorities have led to the arrest of nine alleged members of the Medellin Cartel, the arrest of 14 members of the People's Militia, and the discovery of a plan to murder National Police Commander General Miguel Antonio Gomez Padilla.

Gang leader Hugo de Jesus Garces Marin, also known as Leopoldo de Jesus Marin, was to carry out the murder. He was killed on 16 March after clashing with Elite Police members at his home in the Santa Fe neighborhood. Leopoldo de Jesus Marin was accused of kidnapping and extortion, narcoterrorism, and homicide. It was learned from documents, maps, and recordings found in his possession that Leopoldo de Jesus Marin had planned Gomez Padilla's murder.

The operation was successful because of a wiretap, which gave insight on his activities and information on the location of four other people. The operations, which were simultaneously carried out, included this office in the Villanueva shopping center, where Ruben Dario Patillo Montoya was captured and charged with the same crimes as de Jesus Marin. Three people were captured with Patillo, who was in possession of counterfeit dollars and 200 grams of poppy seeds.

Together with alias de Jesus Marin, they were to carry out the attack on Gen. Gomez Padilla for organized crime.

In a second operation, a meeting site, a weapons armory, and People's Militias documents were found. Fourteen of its members are under arrest and being investigated. The following items were confiscated from them: grenades, explosives, weapons of various calibers, and reward offers for various well-known personalities.

In a third operation, weapons were found, which according to the Search Block, were owned by paid murderers working for Pablo Escobar. The weapons were hidden in a home in the San Javier neighborhood, where the Elite Police arrived on the evening of 15 March. Five rifles; two shotguns; two submachine guns; four grenades; clips; communication radios; bullet-proof vests; three Administrative Department of Security and Judicial Police and Investigations Directorate identification bracelets; and 500 rounds of various caliber bullets were discovered under the control of the nine people who remain under arrest as alleged Medellin Cartel members, thus delivering three harsh blows to organized crime.

### Military To Reinforce Itagui Prison External Control

*PA1603035793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 16 Mar 93*

[Text] As of 15 March, external control of Itagui Prison, a maximum security prison, will be reinforced with a permanent military base. The purpose of this decision by the Defense and Justice Ministries is to increase watch assignments where the most important drug-trafficking bosses are confined. Army troops are already arriving at the site.

### Liberal Party Conducts Poll on Politicians, Institutions

*PA1503173193 Santa Fe de Bogota EL TIEMPO in Spanish 11 Mar 93 p 7A*

[Text] The currently popular Liberal Party has contracted the National Consulting Center [CNC] to conduct a poll that is not limited to purely political aspects of the presidential candidacies. Included were the image of the church, press, political parties, police, Army, economy, family, energy, openness, the president, and his ministers. In short, it is one of the most comprehensive opinion polls conducted thus far.

It is necessary to point out that the Liberal Party directorate was reluctant to reveal the results of the poll, which was intended for internal use.

To begin, the people prefer Ernesto Samper as the Liberal Party candidate, but if elections were held today, Andres Pastrana would win. Keep in mind, however, that the difference between Pastrana and Samper on the question regarding elections being held today is only 1.2 points.

President Cesar Gaviria did not do well. Among those surveyed, 58.1 percent said his administration is negative, 26 percent said it is positive, and 15.9 percent expressed no opinion.

Among his ministers, which were judged on a scale of one to 10, all did poorly except Foreign Minister Noemi Sanin and Defense Minister Rafael Pardo Rueda. The lowest mark went to [Mines and Energy] Minister Guido Nulle with 4.5, and the highest to Sanin with 7.1.

Regarding the country's economy, 45.1 percent said it is in bad shape, and 24.4 percent said it is "scarcely good [apenas bien]."

Respondents were given the following options to describe their assessments of the institutions: "very good," "scarcely good," "bad," and "very bad."

Congress received a favorable response of 33 percent and a negative response of 56 percent. The Army has a positive image among the Colombian people as evidenced by its 66 percent favorable response. Regarding the police force's work, 56.2 percent believe it is bad or very bad while 41 percent believe it is good.

The government's employment policy was soundly rejected. A total of 82.5 percent rated it as bad, while 93 percent considered its security policies either "bad" or "very bad."

The industrial sector received good marks from 62 percent of the respondents, while 32 percent believe it is bad.

Of course, 80 percent of the Colombian people believe the energy situation is very bad, education has a favorable image, and the press received a 73 percent favorable rating between "very good" and "scarcely good." Television received a 60 percent favorable rating and a 34 percent unfavorable rating within the "bad" and "very bad" range.

Cesar Gaviria's administration did not fare well. A total of 63.4 percent said it is "bad" or "very bad" while 33.7 percent said it is "very good" or "scarcely good."

The respondents were also asked about several public figures: A total of 74 percent have a good opinion of Prosecutor General Gustavo de Greiff; 66 percent of Attorney General Carlos Gustavo Arrieta; 59 percent of Comptroller Manuel Francisco Becerra; 48 percent of [politician] Alvaro Gomez (39 percent gave him a "bad" rating); 61 percent have a favorable opinion of [presidential designate] Humberto de la Calle; 68 percent of [Santa Fe de Bogota Mayor] Andres Pastrana; 65 percent of [Ambassador to Spain] Ernesto Samper; and 59 percent of [politician] Carlos Lemos.

Army of National Liberation leader Cura Perez was repudiated by 70.2 percent, who said that his guerrilla image is "bad" or "very bad."

Colombian justice was criticized by 61 percent of the respondents, who rated it as "bad" or "very bad."

Opinions regarding the Conservative Party are divided with 38.5 percent saying it is good and 43 percent saying it is bad. The Liberal Party received a good rating with 51 percent calling it good and 34 percent bad.

The CNC poll was conducted between 20 and 26 February with a total of 4,789 respondents in Santa Fe de Bogota and 23 departments. The poll was ordered by the National Liberal Directorate and sponsored by the Bavaria Company.

The poll included people from high, middle, and low socioeconomic levels with a total of 200 people from both sexes per department. The minimum age was 18 and extended to individuals over 55.

The respondents included liberals (1,862), supporters of other political parties such as the Conservative Party (940), the 19 April Movement Democratic Alliance (462), the National Salvation Movement (136), New Democratic Force (155), other parties (91), and unaffiliated (1,142).

Departments not included in the poll were Guaviare, Arauca, Amazonas, San Andres and Providencia, Putumayo, Guainia, Vaupes, Vichada and Casanare; in other words, the former national territories.

This is considered one of the most complete polls conducted over the past few months, not only because of the variety of questions asked but because of its broad coverage of large, medium, and small cities.

## * Media, Political Response to Bogota Bombings

### * Fewer Words, More Action

*93WD0396X Santa Fe de Bogota EL TIEMPO in Spanish 17 Feb 93 p 4A*

[Text] The appeal to national unity made by the government in response to the terrorist attacks could be considered merely rhetorical. At its most basic level, it reflects the urgency of creating a common front supported by all Colombians, regardless of party or social class, united against terrorism and other criminal actions related to this abominable activity. But it should be a sincere union, with no political preconceptions or personal ambitions, nor the desire to create difficulties for the government. A solidarity originating from the heart, not from the feelings of frustration from which the vast majority of our fellow citizens are

suffering. An intellectual and inspired "national front," like the one that saved Colombia from a disaster caused by political hatred.

That feeling of support does not in any way imply that the government is impeded from exercising its actions and authority. And in terms of the latter, we also ask that it make available the public security forces, with all the resources of the State at the front, to fight terrorism and seek the capture of those who engage in it either materially or intellectually. At times, the surfeit of statements and sometimes unfulfilled promises ends by undermining trust in the authorities. That is what is most worrisome about this situation. The criminal acts achieve what statements cannot: they create chaos, encourage criticism, turn Colombians into negative thinkers, and thus limit the work that the government, the only entity in the fight against barbarity, can carry out.

Citizens understandably become defeatist when the bombs that sow ruin and destruction explode. We ask each Colombian, whether or not he or she be a victim of the destructive acts, to have optimism, faith, and trust that the authorities, although they might delay, will in the end succeed in putting the authors of these monstrous acts behind bars. Not to lose calm, nor engage in harassment for an immediate end to terrorism; but rather to demand action on the part of Mr. President, the Armed Forces, and all Government entities responsible for leading the nation to a safe port. It would seem urgent that we request material aid and advice through personal experience, assistants, or specialized missions from countries that have suffered from, and succeeded in defeating, the same scourge that today is punishing Colombia.

Solidarity does not imply conformity. But it should be a resolute and sincere solidarity; a solidarity that deeply reflects the Colombian soul. Otherwise it cannot work.

### * More Decisive Response Urged

*93WD0396Y Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Feb 93 p 2A*

[Text] The most dangerous criminal Colombia has ever known in its entire history is now keeping the country under a reign of terror. Desolation and death are his trademarks, and he carries them out as if facing no one capable of containing him or his sinister purposes. This is his response to the weakness that made possible an understanding with the Government with regard to his criminal actions, and even led to the submission of justice and its depreciation of the will of its agents and representatives.

Since the beginning of the year, the capital of the republic has already suffered five large explosions that have led to devastation, ruin, and the death of several of our fellow citizens, including old people and children, in dirty actions conceivable only by the minds of pure criminals. And the Government seems impotent to stop them in their purposes. Intelligence services are powerless, and the surprise factor leads to confusion on the part of citizens, who feel virtually unprotected. Meanwhile, in the vortex of the country's moral destitution, the need to negotiate is again being spoken of, as if it were possible to negotiate with those capable of committing hundreds of proven crimes and killings, fleeing from justice, and intending to set up a state that is an extension of their criminal instincts.

It is a lie that the Government has declared war on drug traffickers. The truth is precisely the opposite. It is drug traffickers, with their supreme headquarters of death in Medellin, who have declared war on Colombia. And they have laid siege using a dual front of death and fear. Through their destructive activities, as if things could not be worse, what has now emerged in Colombia is justice by one's own hands, and now it is no longer the legal authority of the State that is the final bastion of the law, but rather other criminal organizations that have come to fill the gap that official ineptitude has left empty. It has no bearing on the case to read the statistics on dynamite confiscated, or murders foiled, or raids carried out on the dens of accomplices and abettors; all those are more or less mere symptoms of the struggle, nothing more than symptoms. What the country wants and hopes for, and does not get, is immediate and direct punishment.

All this consequently results in disbelief on the part of Colombians, skepticism toward official actions, and as a necessary consequence, as we have said many times, gradual loss in the psychological war. But this in any case cannot be "a republic of no citizens," with no men of goodwill, or one destined for derision, disrespect, or mockery, or for a history of procrastination, indifference, or cowardliness on the part of its inhabitants, who are incapable of reacting against national dishonor and a reign of terror. If the government does indeed have the obligation to confront the situation with all its resources, we as Colombians are also obligated to respond to the challenge in a massive way, not even of solidarity in the struggle, but rather of simple subjective defense of our lives, and our moral and material values.

The situation we are experiencing is exceptional. It thus requires an exceptional attitude. It is up to the government to take it and lead, with concrete and effective actions. In this it will have the unlimited support of all Colombians. But to obtain this support, it must be decisive. If it is total war, then let it be total war. And let it be made perfectly clear that those who have declared war on us are criminals in their actions. And it is to them that we must respond with energy and patriotic courage. But the government must be capable. More than in words, which are already in surplus, but in actions.

A great national voice is required to rescue the country, to return us to what we were. The government must have the civil courage to correct its errors and confess its weaknesses. Nothing will be achieved by hiding the dim light of the great truth. It was weak and soft in the past,

and allowed crime to prosper. To rectify this is a democratic act. And to act, an undelayable need if we do not want to succumb to crime and allow ourselves to submit to the beast of terrorism.

### * Calls for Peace Conference

*93WD0396Z Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Feb 93 p 5A*

[Text] Bent under the renewed onslaught of terrorism, a large group of members of Congress is signing a document requesting the convocation of a great national peace conference.

Yesterday afternoon the document already had 50 signatures, of both senators and assembly members. Included among its signers are the presidents of the Senate and the Assembly, Tito Rueda Guarin and Cesar Perez Garcia, respectively.

Excerpts from it read as follows:

"Some years ago we heard a national leader speak of the need to seek ways for Colombians to find the road to national survival.

"The course of events that have been scourging Colombia oblige its leadership class to formulate responses even in the worst moments. We believe this is one of them.

"The group of assembly members that have signed this document respectfully propose to you, parties, Congress, unions, Church, associations, former presidents, and Government, the convocation of a great national peace conference, to study a way out of this juncture.

"We cannot accept the sacrifice of more innocent lives, nor the strengthening of crime and its consequences in the name of a war lacking in reason, a war in which a few bad Colombians are against the immense number of citizens of goodwill who desire a proud and dignified Colombia to stand before the world.

"With patriotic sentiment we wish to reiterate the proposal that will lead us toward achieving their priority objective: national survival."

#### The President of the Assembly Speaks

While Assembly President Cesar Perez Garcia awaits the aforementioned document, he meanwhile made a statement to EL ESPECTADOR, saying the following on the situation the country is experiencing:

"I believe that the country has begun to return to a rule of law thanks to all the measures the government has taken through the direct actions of President Gaviria, as well as interior developments. To complement the activities of the government, the public security forces, and the intelligence organizations, the participation and solidarity of all citizens is necessary.

"At this moment, when terrorism is being felt with so much intensity in Medellin, Bogota, and other cities, many leaders may be thinking that they should stop everything that until now has been done to fight these scourges of violence, and insist upon the need to continue with a policy of submittal.

"We shall call the national congress, the leadership of the senate and the assembly, the members of the two bodies, and their specialized committees, to form a team that can collaborate with the government and public security forces in a greater and more rational analysis to resolve the current situation. The country needs to regain its rule of law, the tranquillity of its citizenry, and its security."

#### Change in the Administration of Public Order

For its part, the Conservative Party's National Directorate expedited a statement requesting the government to change its policy of public order.

The statement says that regardless of its treatment of the government , it has been and is in solidarity with the actual proposals and activities to improve public order. Like the liberal parties, the conservative party has, in difficult moments in the fatherland's tumultuous history, organized periods of national unity.

It pointed out that the party continues to be faithful to this historical trend. With respect to the aforementioned, the collective body demands, with full moral and political authority, that the government and the President of the Republic provide new proposals, on a national scale, for the administration of public order. The country has been in solidarity with the government, and now is the time for the government to be in solidarity with the nation.

It also believes that, with all due respect, the president should appeal to all sectors and states of the country, to promote and structure an active solidarity, to seek peace,and to defeat violence and terrorism.

### * Highlights of 1993 Economic Plan Discussed

*93SM0158A Santa Fe de Bogota EL ESPECTADOR in Spanish 7 Feb 93 p 1B*

[Article by Henry Rodriguez and Gilda Sarmiento: "The Economy's Big Challenges"]

[Text] The structure of the government's Macroeconomic Plan, drawn up toward the end of 1992, has been dealt a hard blow. The optimistic projections on which last year's budget was based did not anticipate the blow that would be dealt it by narcoterrorist violence.

Faced by new outbreaks of violence, the authorities were compelled to increase spending on internal security by an amount 64.2 percent higher than initially projected.

The joint operational budget, including those of the Defense Ministry, the security agencies, and the judiciary, will increase from 937 billion pesos in 1992 to 1.541 trillion pesos this year.

Much of the additional revenue generated by the tax reform will be used to cover these expenses. The remaining deficit will be covered by acceleration of the process of privatization of state-owned enterprises and by possible spending cuts that it is promised will not be gigantic.

**Central Government's Operating Expenses**

(millions of pesos)

| | 1992 | 1993 | 93/92 |
|---|---|---|---|
| JUDICIARY AND SECURITY | 937,335.4 | 1,539,319.6 | 64.2% |
| Personnel services | 531,548.6 | 778,783.2 | 46.5% |
| General expenses | 179,594.4 | 386,631.1 | 115.3% |
| Transfer payments | 226,192.4 | 373,905.3 | 65.3% |
| OTHERS | 2,001,172.8 | 2,972,303.3 | 48.5% |
| Personnel services | 257,458.5 | 340.116.8 | 32.1% |
| General expenses | 57,311.5 | 84,691.9 | 47.8% |
| Transfer payments* | 1,686,402.9 | 2,547,494.7 | 51.1% |
| TOTAL OPERATING EXPENSES | 2,938,328.3 | 4,511,623.0 | 53.5% |

* Includes transfers to municipalities, education, indemnities (25 billion), and maintenance of ICEL [Colombian Electric Power Institute] and CORELCA [Electric Corporation of the Atlantic Coast] plants.

Even so, this year the state will again post a tax revenue shortfall stemming from transitory factors as well as some structural ones. Significant in this respect are expenses ordered by the new Constitution, the institutional reforms introduced by the government, increased transfers to regional and local entities, and above all, the incremental costs being incurred for security and the judiciary.

This deficit is also explained by the financial difficulties of the Medellin Metro, the National Coffee Fund [FNC], and Carbocol.

In these circumstances, the central government's balance sheet, less borrowings, will show substantial deterioration, from a surplus of 260 billion pesos (0.7 percent of GDP [gross domestic product]) to a deficit of 537 billion pesos (1.27 percent of GDP).

Outpayments, without taking loans into account, will increase by 56.3 percent. This will include an increase of 53.5 percent in operating costs, such as personnel services, general expenses, and transfer payments.

These circumstances reflect one fact: Colombia's is a wartime economy.

In view of this, Finance Minister Rudolf Hommes favors increasing the internal security portion of the budget by whatever amount necessary.

An additional 15.5 billion pesos will be allotted to the Office of the Attorney General of the nation. Additions to the Defense Ministry's budget have not been calculated yet.

Another major source of expenditures, in addition to violence and transfer payments to the domestic entities, is the rise in interest payments on foreign loans. These payments will increase by 104 percent, owing to the start of servicing of loans under the Hercules credit line, and to the part of the indebtedness of the electric power sector and Carbocol that was assumed by the central government.

Furthermore, the government will begin paying interest charges to the Bank of the Republic for the debt it has incurred with this institution, and will cover the costs of the instruments of domestic debt it issued last year in the form of 1992 Law 55/85 and Decree 700 Bonds.

But since the Gaviria administration is intent on imparting a social touch to the course of its final months in office, the National Council for Economic and Social Policy [CONPES] has planned a 43 percent rise in investment, especially in programs related to infrastructure, agriculture, environmental protection, energy, justice, and the social sector such as health care and basic sanitation.

**SOCIAL INVESTMENT**

**(millions of pesos)**

| Sectors | 1992 | 1993 | Ratio 93/92 |
|---|---|---|---|
| Education, health and basic sanitation | 327,693 | 499,618 | 52.5% |
| Housing | 139,444 | 198,648 | 42.5% |
| Social development | 69,966 | 104,448 | 49.3% |
| Labor and social security* | 136,982 | 222,180 | 62.2% |
| TOTAL | 674,085 | 1,024,894 | 52.0% |

* SENA [National Apprenticeship Service], Social Insurance, Ministry of Labor.

Altogether, the deficit will grow because loans totaling 317 billion pesos, will be granted to the Medellin Metro, Carbocol, the electric power sector, and several regional and municipal entities.

As a result, the government deficit, as of year-end this year, including the loans it is to grant, will total 854 billion pesos, or 1.9 percent of GDP.

According to the Macroeconomic Plan approved on Thursday, absent corrective measures, the nonfinancial public sector will end 1993 with a total deficit of 629 billion pesos (1.42 percent of GDP), without considering the additional demands of security and justice, which total the equivalent of 0.5 percent of GDP.

**Privatization**

Given the deficit in the national accounts, President Cesar Gaviria has ordered a stepping-up of the privatization effort, especially as regards the companies and assets of the FNC and the electric power sector.

This privatization program will also be expanded to include the divestment of assets and companies pertaining to entities that are running up surpluses, such as ECOPETROL [Colombian Petroleum Enterprise] and, among the state-owned financial enterprises, the IFI [Industrial Development Institute], and the Financial Institutions Guaranty Fund.

In the case of the FNC, where the sale of companies has been delayed, the finance minister has indicated that the problem is not one of ideology or way of thinking, but rather one of financial difficulties. Around $500 million obtained from the divestment of the Grancolombiana Merchant Fleet, Conasa, Caldas Finance Corporation, and other assets, will be dedicated exclusively to coverage of the FNC deficit.

Privatization has been resorted to as an alternative to the traditional introduction of a tax reform bill in Congress to augment revenues by way of taxes. Such a bill having been introduced and passed last year, the government cannot be expected to give its blessing to another one this year in the remaining few months of its tenure.

The economy's first big challenge this year is the resolution of a fiscal deficit that has been aggravated by the need to finance internal security spending. Violence has unquestionably imparted a hard blow to the Macroeconomic Plan.

**New Goal 22 Percent**

If by year-end the deficit can be brought down from 2 percent to 1 percent of GDP, this will go hand-in-hand with the goal of reducing inflation to 22 percent by next December.

The good results posted in 1992 as regards inflation warrant as reasonable the goal of holding the increase in consumer prices down to 22 percent in 1993, according to the basic document of the Macroeconomic Plan. This optimistic view is based on the slowing of the rise of several major components of the statistical family basket, such as rent and the index of prices to the producer, which would accord to the plan a high probability of attaining its goal, on condition, however, that it is accompanied by prudent and consistent management of monetary, currency-exchange, and tax policies.

The outlook for agricultural and livestock prices is favorable as compared with the situation a year ago. The climatic circumstances that produced serious distortions in the relative prices of agricultural commodities then, are now tending toward normalization, and livestock export retentions have been eliminated.

The government is optimistic. It estimates that even with rationing and the outbreaks of violence, GDP could grow by as much as 5 percent in 1993.

**Growth**

In addition to reducing the deficit to moderate levels of around 1 percent of GDP and lowering the inflation rate to 22 percent, the third major goal is achievement of an adequate GDP growth rate.

The government is going all out on this effort and believes the growth of the economy could attain 5 percent.

On the demand side, the main engine of growth in 1993 will be private investment in construction as well as machinery and equipment. This factor is expected to increase by 13.2 to 16.2 percent in real terms.

Another important factor will be public investment, the value of which reaches approximately 74 percent of that of private investment, and is expected to increase by 14.8 percent.

The real value of exports of nonfinancial goods and services is expected to grow by 4.5-5 percent.

Imports, in real terms, will grow by 15-16 percent. This increase will facilitate the growth of investment and contribute favorably to keeping inflation down within the proposed goals, according to the government.

Growth projections by branch of activity are as follows: Agricultural and livestock production will be stimulated by the projected normalization of climatic conditions and by use of the credit lines opened by the government during the last quarter of 1992.

As a result, agricultural and livestock production is expected to recover and grow at rates between 3.5 percent and 4.4 percent, and between 3.3 percent and 3.7 percent, respectively.

As a result of the crop substitution policy, and of the fall of the real price of coffee beans, however, coffee production is expected to post a decrease of 3.1 percent in aggregate value.

The manufacturing industry will grow at a rate of between 3.1 percent and 3.5 percent, based on a 5.6 percent decrease at the coffee threshing stage and of 4.5 percent and 5 percent for the rest of the industry.

Construction is expected to post an aggregate growth rate of between 6.5 percent and 7 percent, if the current behavior of the sector's leading indicators, and the execution of infrastructural projects, are taken into account.

[Box, p 1B]

**White Elephants of the Deficit**

**National Coffee Fund [FNC]**

The fund's projected 1993 deficit amounts to 81.4 billion pesos, assuming an export level of 14 million sacks, an average external price of $0.75 a pound, and a production volume of 15.5 million sacks.

With regard to the domestic price, the intent of the government is to maintain its real value during the present year. This, however, will depend on coffee-bean quotations in foreign markets and on the willingness of the trade association to sell part of the fund's assets.

The deficit will be financed with proceeds from producer credit (Tacs [expansion not given]) in the amount of 143 billion pesos. If price trends are favorable, the pending balance of $90 million will be canceled by advance repayments.

And lastly, although the fund's short-term financial situation has improved significantly, a policy of financial restructuring will have to be pursued, such as will guarantee the preservation of the fund as an instrument for stabilizing the economy of the coffee industry. This makes it relevant to continue with the policies of spending austerity, crop diversification and eradication of hectares dedicated to the coffee crop, and the sale of fund assets.

**Carbocol**

To help alleviate the financial situation in which this enterprise finds itself, having closed its 1992 operating year with a deficit of 24.6 billion pesos, various alternatives were considered, and the following validated:

Absorption of losses against paid-in capital.

Separation of the coal-development activity by dividing the enterprise into two entities. The new entity (Ecocarbon) will have industrial and marketing functions, and its object will be to develop, support, and regulate the coal industry in sectors other than Cerrejon Zona Norte.

Takeover, and capitalization in equal parts, by the state and ECOPETROL, of Carbocol's debt with the bilateral bank and the state-owned oil enterprise. The terms of the capitalization are currently being worked out.

Based on volumetric and price estimates, Cerrejo Zona Norte is expected to produce 12.5 million tons to be placed on the market at an average price of $32. It is further estimated that of this total of inventories (2.6 million tons) 1 million will be sold off [as published].

## * Guerrilla Presence Limits DAS Role in Arauca

*93WR0157Z Santa Fe de Bogota EL TIEMPO in Spanish 22 Feb 93 p 16A*

[Text] Arauca—There are various sections of Arauca Department in which the guerrillas do not allow members of the Administrative Department of Security (DAS) to operate, according to that agency's chief in this region, Major Victor Manuel Guarin.

Guarin claimed: "Because of our discretion, and the fact that we have no military structure, we are finding it difficult to do a complete job of curbing cattle rustling, particularly in the department's eastern section."

The most serious situation has occurred in the district of El Caracol, where the presence of the guerrilla criminals has reached the point where the travel of detectives is being curtailed.

In El Caracol, with nearly 4,000 residents, the only authority is the police inspector. There is no military presence there, much less that of the police. Only a DAS station existed there, but it was destroyed last June; and up until now it has been impossible to obtain backing for the construction of a new headquarters.

Because of the insecurity prevailing in that locality, where they were left without a building in which to operate, the personnel assigned there were removed in June.

The district of El Caracol is located east of the departmental capital, on the shores of the Arauca River, a two-hour journey by highway from the capital.

That border zone with Venezuela is the shortcut for cattle rustling, and the site on which the FARC's [Revolutionary Armed Forces of Colombia] Tenth Front held the largest number of meetings last year to recruit the civilian population, according to the DAS regional director.

Moreover, based on intelligence reports, it was learned that the ELN's [Army of National Liberation] Domingo Lain Front has also held recruitment meetings in this section, which is typified by the proliferation of communal savannah farms.

Guarin claimed: "Our work is difficult, because we need a small plane for patrolling the extensive savannahs, and we have only ground transport facilities."

**Isolation in Inspections**

The DAS's main assignment in this zone is to curb attacks against the livestock industry, "but we never join battle with the guerrilla groups, because we have no military structure," remarks the security agency's director. He adds: "We are civilians, and, besides, the cattle is being stolen by the guerrillas."

Guarin maintains that, in the case of the El Caracol district, detectives cannot be sent to work under unprotected human conditions. "If the public force cannot be there, the DAS cannot guarantee sovereignty either."

That municipality's councilman, Diego Linares, recently criticized the isolation in which the Arauca police inspectors have to perform their duties.

The situation of the inspectors stationed near the district of El Caracol is critical. On 16 December of last year, the inspector in Feliciano, Emilio Rojas Cisneros, was murdered, presumably by criminals from the FARC who had threatened him.

The same criminal group has threatened the inspectors in Todos los Santos, Clarinetero, Bocas del Arauca, and El Caracol.

Arauca's interior secretary, Hernando Posso, remarked that he would hold consultations with the community of each region, to bring about shifts of public servants, "because we cannot allow them to continue sending us back in coffins."

On Saturday, there was a report of a declaration of lack of support made by Gentil Amable, the inspector in Clarinetero. Furthermore, the replacement for the Feliciano inspector has not been named. Last year, the inspectors in Fortul, Reinera, and Arauca were killed.

One inspector who requested not to be identified claimed: "Here, you do not know the person that you are talking to: it could be a peasant or one of those people. And if they are not armed, it is impossible to make a distinction between them."

The police inspectors are the only authorities guaranteeing the state's presence in those remote localities.

In Arauca, the police have stations only in the municipal capitals, while the Army bases are located in Tame, Saravena, Arauquita, and Arauca. Protection in Fortul, Rondon, and Cravo Norte is received only through the Army's mobile operations. Furthermore, the DAS has headquarters only in Tame, Cravo Norte, and Arauca.

The possible government abandonment of various zones of Arauca, and the lack of military or police personnel in regions virtually controlled by armed insurgents, reportedly were among the topics discussed by Governor Alfredo Colmenares with the president of the republic, Cesar Gaviria, during the last governors' summit meeting.

## * Means Sought To Increase Defense Budget

### * Infrastructure May Suffer

*93SM0157A Santa Fe de Bogota EL TIEMPO in Spanish 3 Feb 93 p 10A*

[Article: "Security Shall Have the Needed Funds; Investment in Infrastructure Would Be Sacrificed"]

[Text] The construction or improvement of kilometers of roads and thoroughfares planned for this year will be sacrificed, if need be, to increase investment in security and defense.

The government's aim is to continue strengthening the security forces, outfitting them with sufficient equipment, including helicopters and fighter planes.

This is the gist of yesterday's announcement by Finance Minister Rudolf Hommes, who also indicated that the national budget for 1993 already provides for sizable outlays in this sector.

Should these outlays turn out to be insufficient, however, the expenditures budget will be restructured so as to guarantee the resources necessary to continue strengthening the judiciary and defense sectors.

Hommes stated that the government intends, no matter what, to keep the tax revenue shortfall from exceeding 1 percent of GDP [gross domestic product].

"For this reason," the minister emphasized, "kilometers of roads and thoroughfares, and any other types of infrastructural projects will be sacrificed, if need be."

According to his statement, social spending—that is to say, the amounts already budgeted for health, education, and drinking water—will not be touched.

Whatever adjustment is made, he said, will not affect the social side of the budget, because the government intends to keep its promises to improve the living conditions of the poorest sector of the population.

### * Privatization Accelerated

*93SM0157B Santa Fe de Bogota EL ESPECTADOR in Spanish 5 Feb 93 p 6A*

[Article by Gilda Sarmiento: "Privatization Stepped Up"]

[Text] *The idea is to finance internal security and social investment without raising taxes.*

Yesterday the government decided to step up the privatization of state-owned enterprises in order to increase spending in the judiciary, national defense, and social investment sectors.

It also approved the following 1993 macroeconomic goals: inflation not to exceed 22 percent; economic growth 4.5 percent to 5 percent; tax revenue shortfall not to exceed 1 percent of GDP [gross domestic product]; an increase of approximately $840 million in international reserves; an increase of $8.5 million in exports; and a 25 percent increase in imports.

Foreign investment is expected to amount to approximately $890 million, with the oil sector registering considerable dynamism owing to the Cusiana projects in the Casanare.

Foreign debt has been falling since 1991, and will remain stable or edge up only very slightly.

President Cesar Gaviria's order to accelerate the sale of assets will entail the issuing of a call for public tenders for, among others: the enterprises of the FNC [National

Coffee Fund]; Bank of Colombia; Bank of State; enterprises of the IFI [Industrial Development Institute]; the "terpeles"; ECOPETROL's [Colombian Petroleum Enterprise's] gas companies; the Betania hydroelectric plant; and, in the financial sector, the Agrarian Bank.

These decisions were adopted yesterday in the CONPES [National Council for Economic and Social Policy], which also revised the economic growth figure for last year in terms of GDP, producing a new rate of 3.6 percent. It is to be noted that, initially, the DNP [National Department of Planning] had issued a preliminary estimate of 3.3 percent.

The state-owned assets will be divested in an effort to achieve the goal of bringing down the tax revenue shortfall to a maximum of 1 percent of GDP, without increasing taxes or trimming social spending in the slightest.

What is abundantly clear is that priority is to be given to security and defense outlays, which for this year will be increased by around 64 percent. And there will be supplementary budgets for the Office of the Attorney General and the Ministry of Defense.

The Office of the Attorney General, which as a result of its new duties requested a supplement of 20 billion pesos, will receive 15.5 billion. That of the Ministry of Defense has not yet been determined.

Part of the proceeds from the sale of enterprises will go to the Social Fund, which will also receive funds from the liquidation and divestment of assets under the restructuring of the public sector.

A CONPES document will stipulate the money that is to go into the budget as a result of the pruning of state-owned assets that was adopted toward the end of last year, based on the powers granted by transitory Article 20 of the Constitution.

In another context, Finance Minister Rudolf Hommes pointed out that the benefits the Gaviria era has brought to the economy have yet to be evaluated.

With respect to the increase in interest rates, Hommes Rodriguez said that they will not reach 1991 levels.

CONPES' decisions were explained by the finance minister and the head of the DNP, Armando Montenegro.

**Change in Priority**

The finance minister stated that even though a rise in the foreign debt has been provided for, he believes it will remain stable or will go up only very slightly.

In 1991, the foreign debt was reduced by $278 million, and last year by $461 million.

The official maintained that foreign debt is by now no longer Colombia's main problem, the main one being the financing of social and defense spending.

Proceeds to be derived from the sale of assets were estimated as follows: FNC enterprises $500 million; IFI $200 million; Betania between $350 and $400 million; and the sale of "terpeles" and ECOPETROL's gas enterprises 400,000 pesos [as published].

## * Tax To Help Finance Defense

*93SM0157C Santa Fe de Bogota EL ESPECTADOR in Spanish 6 Feb 93 p 7A*

[Article: "Tax for Armed Forces Regulated"]

[Text] *A five percent tax will be levied on all contracts awarded after 1 January 1993 for construction and maintenance of roads and thoroughfares.*

The national government has issued Decree 265 regulating the payment of a tax by private contractors, the proceeds of which are to be assigned to the Armed Forces.

The decree provides that private contractors shall pay the tax, equal to 5 percent of the total value of any contract, or of its respective supplements, awarded by the government for the construction and maintenance of roads and thoroughfares, where the respective call for bids or price quotations was opened after 1 January 1993.

This levy is to be paid on the value of the contract after discounting direct taxes incurred by the contract.

The third article of the decree provides also that payments made under the heading of this tax shall be deposited to a current account to be designated by the Treasury.

**For the Forces of Law and Order**

This tax was created on 14 December through Decree 2009 because of the need "to provide the Armed Forces with sources of funding that will enable them to deal successfully with the subversive and terrorist offensive."

The fourth article of the latter decree stipulated that "the funds the nation collects under the provisions of this article shall be devoted to equipment and manning, war materiel, rebuilding of barracks and other installations, purchase of telecommunications equipment, the setting up and operating of intelligence networks, payment of compensation to and provision for the security of persons who cooperate with the judiciary, personnel services, and equipment and rations for new agents or soldiers. It may also be spent for the purpose of generating an environment conducive to the security of the citizens, their social welfare, peaceful coexistence, and development as a community, and in general, all those expenses that will enhance the presence of the state, on condition that such spending be designed to stave off the crisis or prevent its spread."

In this way, the national government is establishing mechanisms to enable public agencies at the departmental and municipal levels, that award contracts to private contractors for the construction and maintenance of roads and thoroughfares to contribute to the financing and equipping of

the forces of law and order in their fight against organized crime. The decrees were based on Article 22 of the Constitution, which stipulates that peace is a right and a duty whose fulfillment is obligatory.

## Paraguay

### South African President Cancels Plans To Visit

*PY1603212893 Asuncion ABC COLOR in Spanish 16 Mar 93 p 14*

[Text] Paraguayan Foreign Minister Alexis Frutos Vaesken yesterday confirmed that South African President Frederik de Klerk will not come to our country. De Klerk was to visit Paraguay on Thursday, 1 April, with his wife and a 35-member delegation.

The invitation to visit Paraguay was extended to De Klerk by his Paraguayan counterpart Andres Rodriguez in February. He accepted the invitation, but for reasons the foreign minister could not specify, the South African president suspended his tour of South American countries, including Paraguay. However, there is a remote possibility that he will visit our country on 2 May.

This was to be the first visit to our country by a president of an African country, and in this case, a president of South Africa, after the fall of the dictatorial regime of General Alfredo Stroessner.

### Justice Minister Denies Self-Coup Rumors

*PY1603212493 Asuncion ULTIMA HORA in Spanish 16 Mar 93 p 4*

[Text] Concerning some allegations made by PLRA [Authentic Radical Liberal Party] leader Juan Manuel Benitez Florentin, that if Machiavelli were still alive, Justice and Labor Minister Dr. Oscar Paciello and other ministers would have much to teach him, Paciello said that "he probably did not read Machiavelli, whom I deeply admire, because he designed the foundations of political science. I do not see why Benitez Florentin should care about me, since I do not care about him."

As for the alleged self-coup attempt, which was reported by Benitez Florentin, Paciello said that "should he be aware of something that I do not know; the only thing that I can say—and that all executive branch officials in general can say, based on the guidance provided by the president—is that we are not aware of such a thing. If there were a possibility of a self-coup, we would probably be the first victims.

"I can faithfully tell everyone that the president is commmited to hold elections on 9 May, and that he will hand over power on 15 August. This is what I heard him say, not one time, but dozens of times. I know that these are his personal feelings, although some people seem to be speculating over fancy and fiction."

**Rodriguez Not Involved**

He was told that Deputy Julio Cesar Frutos, of the Diaz de Vivar-Frutos ticket, has admitted that some people want to extend the current presidential term in order to solve many problems that could not yet be resolved and to agree on a pact for governability. In this regard Paciello said that "I also believe that it would be reasonable to set some guidelines for the process to continue as successfully as it has thus far. Yet, I can assure you that the president has no involvement whatsoever in that type of lucubration.

"Many people—not only Dr. Frutos—share this idea. There are even opposition political groups that support it, but President Rodriguez by no means agrees with that. Perhaps there are PLRA or Colorado Party groups that agree with it," Paciello said.

### Electoral Court President Not 'Pressured To Resign'

*PY1603234693 Asuncion ABC COLOR in Spanish 16 Mar 93 p 5*

[Text] Central Electoral Board [JEC] President Jose Luis Ibarra Llano has denied being pressured to resign. He answered a question on the matter: "This is absolutely false. There is no insinuation whatsoever from any group. It is not a possibility. We have not even talked about it."

There are rumors that powerful forces will force Colorado Party members of the JEC to resign, leaving the electoral board without a quorum and thus force a postponement of the May elections.

Two other JEC members, Albino Moreno Guppy and Rigoberto Zarza, although categorically denying any pressure to resign, stated that conditions are not right from the political standpoint for holding the upcoming elections.

Rafael Jacobo was asked if he would resign if asked. He declined to answer and denied that he has been pressured to resign.

Moreno Guppy said that the transition period must be extended "to enable the citizenry to learn about politics." He added that "the democratic process has been too short compared with the time our country was stagnant."

Zarza said that no one has pressured him, adding that he will not allow anyone to force him to resign. He added, however, that "from the political standpoint the conditions are not right for the 9 May general elections."

He added: "The country has not settled down sufficiently for the transfer of political power, especially from a military to a civilian president, which must be done under normal and peaceful conditions."

He warned of "a covert threat within all political parties and independent movements, including party movements which, whoever assumes the presidency, will want to settle old scores."

Ibarra Llano explained that if the Colorado Party members of the JEC resign they will be replaced by the alternate members. He thus ruled out the possibility that the organization he heads would be dismantled should the Colorado Party members resign en masse.

Rafael Jacobo said that the electoral board cannot submit electoral lists 30 days before the elections, as established by law, they can only do so 15 days before the elections.

Concerning the preparation of the ballot papers, he said that this is no problem because the institution is authorized to print the ballot papers without the need for bids.

## Argana Denies 'Subversive Plot' To Replace Colorado Ticket

*PY1603145793 Lambare Paraguay Radio Cardinal in Spanish 1000 GMT 16 Mar 93*

[Text] The Colorado Reconciliation Movement [Movimiento Reconciliacion Colorada], headed by Luis Maria Argana, has released a communique about the statements made to the media by Juan Manuel Benitez Florentin, president of the Authentic Radical Liberal Party [PLRA]. Benitez Florentin said that he learned of the existence of an agreement between Argana and Colorado Party President Blas N. Riquelme to extend the presidential term established by the Constitution, with or without President Andres Rodriguez, and to recompose the Colorado Party presidential ticket, given that the current ticket headed by Wasmosy and Seifart will not win the elections.

This agreement, Benitez Florentin said, also envisages changes in the electoral board, and was allegedly planned in Buenos Aires by representatives of Argana, Seifart, and Riquelme.

The communique states that in the face of this false and farfetched accusation, the Colorado Reconciliation Movement categorically denies the alleged commitment of the Argana movement to such a subversive plot, which constitutes a very serious electoral crime.

Finally, the communique challenges Benitez Florentin to present the evidence, within 24 hours, on which he bases his dangerous and alarming statements. Otherwise, the communique adds, he will be sued for this slander.

## Leftist Coalition Registers Presidential Candidates

*PY1603154793 Asuncion ABC COLOR in Spanish 7 Mar 93 p 6*

[Text] On 6 March the Workers Party [PT] registered with the Central Electoral Board [JEC] the candidates for the 9 May presidential elections who will represent the coalition called Unity for Workers and the People [UTP].

This leftist coalition is made up of the PT, the Popular Democratic Party [PDP], the Self-Convened Communist Party [PC-A], and the Jose C. Rodriguez de Francia Paraguayan Liberation Movement [MOPALI]. The UTP is using the PT electoral registry to present its candidates because this is the only organization legally recognized.

The PT registered Eduardo Arce and Arturo Acosta Mena as presidential and vice presidential candidates, respectively. It also registered a list of senators and of 17 departmental candidates for deputy, as well as a list of governors and members of the Alto Parana, Itapua, Guaira, Central, and San Pedro departmental boards.

The so-called National Socialist Party [PNS] registered Gustavo Eduardo Bader Ibanez and Luisa Ramona Garcia de Espinola as its presidential and vice president presidential candidates, respectively. It also registered a candidate for governor of the Central Department and a list of deputies for the capital, headed by Luis Milan Saggia.

The PNS was formed on 12 March 1989 to participate in the 1989 presidential elections.

Leaders of the Democratic and Social Coalition, made up of the Christian Democratic Party [PDC], the Humanist Party [PH], the Paraguayan Communist Party, the independent movement Paraguay for All, the Rafael Francon Multisectorial Movement, and peasant organizations, have reported that these political organizations will register with the JEC in the upcoming days.

They will use the legal status of the PDC and the PH to register their lists.

## NOTICIAS Notes Attempts To Upset Democratic Process

*PY1603214593 Asuncion NOTICIAS in Spanish 16 Mar 93 p 12*

["The Authoritarian Project"]

[Editorial] Strong efforts are underway to publicly and openly cause a violent disruption of the democratic process and conduct the country through the dark path of a coupist adventure. This operation, the way it is being designed by its strategists, consists of interrupting the political timetable and imposing, in fact, a continuing project. In other words, it involves stabbing the people's democratic hopes in the back and imposing, with the usually indisputable argument of force, the transfer of power to a group of visionaries.

As usually happens with a coupist project, patriotism and the loftiest moral values are mentioned to justify it. As political history indicates, the essential legal makeup—to make it look legal—will also be implemented. Finally, as it may also be read in any book summarizing the anarchic political history of the Latin American countries, a provisional status is also mentioned. To this end, the project mentions a term of two years in government, which, if the winds are favorable, may be extended

for all the time required to satisfy the boundless ambitions of the project's masterminds.

There will always be politicians who will attempt to justify a coup and will present it as a paradigm of patriotism and democracy. All coups d'etat have received, even in Paraguay, the help of prominent politicians and intellectuals who placed their talents at the service of the winners. After one of the many successful coups in the early decades of this century, one of these intellectuals, who was among our most prominent cultural figures, even compared that coup's leader, Colonel Albino Jara, to Napoleon Bonaparte.

The disruption of the [democratic] process will irrevocably mark the comeback of an era that the 2 February 1989 movement intended to remove forever. If this coupist project succeeds, the political power, currently in the hands of a constitutional government, will again become the exclusive property of a group, which with differences arising from the circumstances, will attempt to implement a quick comeback of authoritarianism.

If it succeeds, the project will involve the postponement of the 9 May elections under any excuse, for which the fertile imagination of its masterminds will find a legal framework. The project also involves the boundless ambition of some ruling party and opposition congressmen who, as the end of their terms approaches, will find a way to continue living on the state budget.

Authoritarianism, hiding in the shadows since 2 February 1989, will return to the scene with the same discourse that we heard, with tiresome insistence, for 35 years. Its main argument is that the people are not prepared for democracy. And that, if the people are unable to elect the candidates picked by the visionaries, they [not further identified] will be there to conduct the people, on their own free will or by force, to their—now overcome—status of passive spectators of the political process. In other words, the reverse of the indisputable essence of democracy: respect for the people's will, freely expressed at the ballot boxes.

### Itaipu Hydroelectric Plant Workers Strike Ends 11 Mar

*PY1603152193 Asuncion ABC COLOR in Spanish 12 Mar 93 p 16*

[Article by Hector Guerin from the ABC COLOR regional bureau]

[Text] Ciudad del Este—Work at Itaipu Binational returned to normal last night after strikers and employers reached an agreement. After more than four months, all workers will be returning to their posts. Of the 305 workers fired by the Contec-Conempa [Technical Consortium-Consortium of Paraguayan Construction Companies] company, 208 were reinstated, and the rest will receive 1 million guaranies each in compensation.

The agreement to cancel the general strike by workers from Itaipu Binational and from the contractor companies was signed last night after long negotiations among representatives from various sectors.

It was finally agreed to cancel the general strike, which began on 8 March, in solidarity with the 305 Contec-Conempa workers who had been on strike for more than four months.

The contractor company agreed to reinstate 208 workers, granted a 15 percent salary increase and loans of 400,000 guaranies to the workers, and guaranteed compensation to the fired workers, representing 95 million guaranies in disbursements.

Contec-Conempa also guaranteed its workers medical insurance to complement that provided by IPS [Social Security Institute]. It also abandoned filing any kind of administrative or legal action against the strikers.

Itaipu Binational and its workers agreed to set up a Worker-Employer Conciliation Commission [Comision Paritaria de Conciliacion], an organization with executive power as far as conflicts between workers and employers is concerned. The trade union leaders failed to achieve the reinstatement of two Brazilian workers who were fired for expressing their solidarity with CUT [United Labor Federation] leaders holding a hunger strike.

The Itaipu Binational staff members, acting as negotiators, signed an agreement with the trade union leaders establishing that noncompliance with the collective contracts would be investigated by the Labor Relations Committee [Comite de Relaciones Laborales], which would be responsible for taking the appropriate actions.

This represents an end to one of the longest strikes ever held at Itaipu Binational, a strike that among other things represents a loss of millions for Itaipu Binational.

The negotiators emphasized the need to resolve any conflict that might arise in the future through dialogue, and not through strikes.

## Uruguay

### Chile's Pinochet Interviewed

*PY1603184093 Montevideo BUSQUEDA in Spanish 4 Mar 93 pp 49, 52*

[Interview with Chilean Army Commander General Augusto Pinochet by Leonardo Haberkorn and Gerardo Lissardy in Piriapolis, Uruguay, on 27 February]

[Text] [BUSQUEDA] Why did you come to Uruguay?

[Pinochet] I came to rest, to get away from everything, to get away from problems. But the journalists here haven't left me alone. I haven't been able to rest properly. Anyhow, I am getting some rest, without phone calls, faxes.

[BUSQUEDA] Are you sorry you came?

[Pinochet] No. I have met with good friends, such as President Bordaberry, of whom I am very fond. We are very good friends. My wife is a very good friend of his wife. Everything has worked out perfectly. I have had a chance to look for old books—I heard I could find in some old bookstores in Montevideo. I read history. I bought some books about Chilean history.

[BUSQUEDA] What do you have to say about the current situation in Latin America?

[Pinochet] I do not talk about the political situation. In my capacity as an officer I cannot interfere in politics. But as I am not mentally debilitated, I can say a few things. I think South America is doing quite well. We had the problem of the Shining Path, but the necessary measures have been taken. We had the drug-trafficking problem, but the necessary measures have been taken in Colombia. The military budget was increased, thus granting the Armed Forces more means to fight this problem. I am talking about South America, not the American hemisphere. I think the situation is good; there is peace.

[BUSQUEDA] Do you endorse the coup staged by Peruvian President Alberto Fujimori?

[Pinochet] I do not endorse anything. (He laughs.)

[BUSQUEDA] You are being very cautious.

[Pinochet] I am being very cautious because people may think that one is mentally debilitated and cannot speak. Right now Peru needed a military adjustment. The Army has given Peru great support. It was necessary and they acted. In my opinion it was the right thing to do.

[BUSQUEDA] What role do you think the South American Armed Forces should play following the collapse of communism throughout the world?

[Pinochet] Look here, the Armed Forces are part of the state. In other words, there cannot be a state without the Armed Forces. And I am not talking about the police forces, because they play another role. A soldier is trained to kill. Therefore, in order to defend the fatherland, a soldier cannot just stand by because he was not trained to participate in civilian-military affairs. A policeman cannot be a soldier and a soldier cannot be a policeman. Can you imagine a military officer writing a report on a traffic accident?

[BUSQUEDA] What do you think about those who maintain that the South American Armed Forces should play the role of "national guardians"?

[Pinochet] As I just told you, you must look back into history. There is a saying: "When Rome speaks everyone remains silent." When Rome ruled, it did not want any troops in the countries under its control. Quite the opposite, there was a minimum number of troops that were subordinated to Rome. We have again reached the point where there is a single power in the world. This power obviously wants peace. But this does not mean they are going to meddle in our problems. Our problems are inherent to the state. This is a subject to be studied. I have decided to undertake the task of modernizing my institution by adapting it to modern times, to fast technological development.

[BUSQUEDA] During the 1960's and 1970's the South American Armed Forces were infiltrated by leftist guerrilla groups. Who is the enemy now?

[Pinochet] One must not talk about enemies. One must talk about powers. It use to be communism, the communist power. We were at war, just as you were.

[BUSQUEDA] Do you think communism is no longer an enemy?

[Pinochet] Look here, the enemy changes face. Gramsci's theory, which is as communist as Lenin's theory, continues. The only difference is that Lenin talked about weapons, about resorting to the armed struggle to seize power. Gramsci, by contrast, talks about reaching power through culture, education; in other words, it is much more dangerous. I have maintained this right from the beginning: The only thing that has changed, gentlemen, is the face and not the body.

[BUSQUEDA] What is your opinion on the international situation now that communism has ceased to exist, at least as a world power?

[Pinochet] The world has a western leader that, logically, wants to dominate. One has to study and compare. Rome had six legions. Those legions intervened at the end of the occupation of the Mediterranean. The local inhabitants of each area were the first to fight, and then came the professional troops from Rome. We can see that there are six U.S. Armies deployed throughout the world.

[BUSQUEDA] Some believe that the Arab world, or even Latin America, could become a threat to the world order headed by the United States. What do you think?

[Pinochet] I do not want to say much about this subject because I am always misunderstood. A lot must be taken into account. A new state, or a group of states could emerge to confront another state. This is because the world wants to live in harmony. The world needs more than a single power. We have gone back 2000 years.

[BUSQUEDA] Do you think we were better off when there was a balance of power between the United States and the Soviet Union?

[Pinochet] I have always said so. It is better to have a balance of powers than a unity; it is better to have a balance of powers than to have a single power.

[BUSQUEDA] Would you favor creating a unity of Latin American states?

[Pinochet] I have always maintained that too. We would be great if we were united.

[BUSQUEDA] What do you think about the revival of Nazism in Europe?

[Pinochet] It is only logical, it had to happen.

[BUSQUEDA] Why?

[Pinochet] By studying world history we can predict what will come next.

[BUSQUEDA] What can be done to fight it?

[Pinochet] Each one has his own way of fighting it.

[BUSQUEDA] What was the greatest achievement and greatest fault of your government?

(A Uruguayan military man accompanying Pinochet interrupts: "The greatest achievement is the situation Chile currently enjoys.")

[Pinochet] The greatest achievement was that when we took over the government the country was in a hole and when we left it was on top of a mountain from the economic, social, and military point of view.

[BUSQUEDA] Those who criticize the Chilean economic model maintain that wealth has not been distributed equally and that many Chileans still live in poverty. What do you say about that?

[Pinochet] You must take care of the wealthy because they are the hens that lay the golden eggs. If you kill the hen that lays the golden eggs, that is the end of the golden eggs. As for the poor sectors you mentioned... there are poor people all over the world. There have been poor people ever since the world began. It has always been the same. The point is that there were the same number of poor people when we came to power and when we left. My government was greatly concerned about needy people. We, military men, know what it is have a tight budget. In the field you go hungry, you sleep on the ground. You always have to check the number of troops. Undoubtedly, there will always be the needy. Not all men are not the same: Some are big, some small, some have big heads, some are intelligent, some are dumb, there is a bit of everything.

[BUSQUEDA] What was the most negative aspect of your government?

[Pinochet] (He thinks) There could be many...

[BUSQUEDA] Which ones would you say?

[Pinochet] (He hesitates) Let me see...not having given the agriculture field more support...,not having tackled the coal industry with more energy...

[BUSQUEDA] ... Yet you were harshly criticized during your tenure for your policy on human rights. That surely is a negative aspect, isn't it?

[Pinochet] I once told a UN official: "Look, what about those who have died, been injured, or who have developed health problems and have been deprived of so many things—do they not have rights?" He answered: "No, they were not persecuted by state terrorism." Some are entitled to specific rights while others are not. This is why I do not attach much importance to this issue, unlike some who act purely out of self-interest. And those were precisely the ones who said: "They should all be put to death," when they found themselves in danger.

[BUSQUEDA] High-ranking Army officers here in Uruguay have acknowledged—and very much regretted—that human rights were violated during the military regime.

[Pinochet] I acknowledge that excesses were committed at the beginning of the struggle [against terrorism]. Excesses were committed by both sides.

[BUSQUEDA] Some Uruguayan Army officers have also justified the use of harassment to extract information.

[Pinochet] No way will I discuss the affairs of another country!

[BUSQUEDA] How about Chile?

[Pinochet] I do not know about that either. [sentence as published]

[BUSQUEDA] What caused the democratic governments of the southernmost countries of Latin America to be toppled almost simultaneously in the 1970's and replaced by military regimes?

[Pinochet] I have just finished reading a book entitled "Terrorism." There is overwhelming proof that the guerrilla and terrorist movements were all linked. They did not obey orders given by local commands but those of international terrorism. Montoneros and Tupamaros met and devised plans under the direction of Cuba. It was not surprising that there was reaction to this in every country. Mark you—those people had no intention whatsoever of establishing democratic governments.

[BUSQUEDA] Did the military regimes also coordinate their actions?

[Pinochet] No, they were local reactions spurred by patriotism.

[BUSQUEDA] Upon arriving in Uruguay on Wednesday, 25 February [date as published], you said that voting is not sine qua non for democracy. Could you elaborate on that?

[Pinochet] I said that elections were not essential. Separation of power is a sine qua non for democracy—the executive branch, the legislative branch, and the judicial branch. One cannot vote for everything. I was not a de facto president as newspapers contend. My first term of office might be considered de facto, but I was elected for a second term in democratic elections.

[BUSQUEDA] During your tenure, however, the authority of the judicial branch was restricted.

[Pinochet] That is not true. I always respected the principles of justice and the judicial branch. There were 400 congressmen during my tenure. Granted, they were not elected by ballot but were appointed upon merit.

[BUSQUEDA] So you do not consider yourself a former dictator?

[Pinochet] Do you think that a dictator would have allowed Chileans to publish the load of rubbish that has been published? Books against me, newspapers against me. Would a dictator consent to all that? Would a dictator grant freedom of movement within the country?

[BUSQUEDA] Some people were placed in confinement in remote places during your government.

[Pinochet] Some were banished. They were agitators and terrorists. Those were the few who would not let the many live in peace.

[BUSQUEDA] What is your opinion about former GDR President Eric Honecker being granted political asylum in Chile?

[Pinochet] Many Chileans owe him a great deal. He gave them a place to live, food, clean clothes.

[BUSQUEDA] Do you think there are similarities between you two? You are both being pilloried for events that took place during your presidencies.

[Pinochet] No, there is no similarity. When Honecker handed over power, his country was as poor as when he inherited it. I have that criticism of his tenure. We, meanwhile, built approximately a million houses for the poor.

[BUSQUEDA] Argentine President Carlos Menem stated that he would have like to have received a country as President Patricio Aylwin received Chile. Would you like to comment on that?

[Pinochet] I am much obliged to President Menem for his kind words and I have sent him a card to express my gratitude to him, as a gentleman.

[BUSQUEDA] Are you in contact with your comrades-in-arms that headed military regimes in other countries of the region concurrent with you?

[Pinochet] I do not remember. (He laughs, stands up, and puts on his sunglasses).

[BUSQUEDA] When will you retire from public life?

[Pinochet] I have not thought about that yet.

## Venezuela

### Government, British Petroleum Sign Oil Agreement

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[Report by Zayda Pereira]

[Text] British Petroleum [BP] will invest approximately 25 billion bolivares by the end of the first decade of the period indicated in the agreement signed on 15 March with Lagoven, Incorporated [a subsidiary of Venezuelan Petroleum, Incorporated, Petroven] to exploit marginal oil fields in Pedernales in the Delta Amacuro territory. President Carlos Andres Perez attended the signing of the third agreement for exploitation of the oil fields. This time UK's BP was favored, with the provision that they commit themselves to increasing production by the end of the decade to 20,000 barrels a day. The Venezuelan economy will benefit not only from the additional income, but new jobs will be created as well.

[Begin Perez recording] BP, one of the world's leading companies in oil and other fields of mining, is here to join this recovery plan for Venezuela's marginal oil wells. We also announced in September and today we reiterate that a second contract will be awarded to another group of companies. Several months ago the mines minister announced that conditions were right for that new bid and that it would be completed in August 1993. We can now announce that more than 80 businesses dedicated to oil exploration around the world are participating in the bidding. As I have mentioned, the Energy and Mines Ministry and Petroven will grant these new bids in August to recover oil from marginal oil wells.

We have been told by the president of Lagoven, which contracted with BP, and by BP representatives of the importance they attach to the agreement we are signing today. I only need to add that this is one more example of the confidence that foreign investors have in Venezuela and of the obligation we Venezuelans have to bolster that confidence. [end recording]

Alirio Parra, energy and mines minister, referred to the agreement and stressed that Pedernales field is complex from a geological point of view, therefore the bid was awarded to BP, a firm with worldwide experience, especially in the Gulf of Mexico, where very similar oil fields exist.

[Begin Parra recording] The new contract includes an accumulated production figure for the first 10 years of over 50 million barrels and approximately 100 million barrels over a 20-year period. I believe that gives an indication of the field's importance, because in the first 50 years, total production reached 50 million barrels. It is estimated that the 100-million-barrel figure will be exceeded over the next 20-year period. [end recording]

Minister Parra clarified that the contracting firm has no rights whatsoever to the oil produced or its sale, which will remain in the hands of the Venezuelan Government.